

# BYLAWS OF DECATUR HEAD BEACH ASSOCIATION

## Article I Meetings

- ~~1. Annual Meeting. The annual meeting of the shareholders of this Cooperative Association shall be held on the third Tuesday in March of each and every year at such place within the State of Washington as the Board of Trustees may select as a place which would enable the largest number of the shareholders of this Association to attend.~~

**9/14/93 Article I, paragraph 1** is amended in its entirety to read as follows:

- "1. Annual Meeting. The annual meeting of the shareholders of this Cooperative Association shall be held on the third Tuesday in October of each and every year at such place within the State of Washington as the Board of Trustees may select which would enable the largest number of the shareholders of this Association to attend."
2. Notice of Annual Meeting. The Secretary of the Association shall deposit in the United States mail, postage prepaid, to the address of each shareholder as shown in the stock book, a notice of the annual meeting at least thirty (30) days in advance of the time thereof, setting forth the time and place of the meeting and any special matters to be there considered.
3. Special Meetings. Special meetings of the shareholders may be called by any two members of the Board of Trustees by directing the Secretary to give written notice twenty (20) days in advance of the meeting in the manner provided hereinabove.
4. Quorum. No meeting of the shareholders of this Association may transact any business unless the holders of a majority of the outstanding shares authorized to vote, as shown by the corporate stock book, are present in person or by proxy.
5. Adjourned Meeting. Any meeting of the shareholders may adjourn from time to time so long as the adjournment is to a time and place certain. A quorum having been found at the original meeting, it shall not be necessary for a quorum to be present at the adjournment of any meeting.
6. Business of Annual Meeting. The annual meeting of the shareholders of this corporation shall receive nominations and elect those members of the Board of Trustees whose terms expire at the time of the annual meeting; they shall be entitled to receive a report from the trustees on the activities of the Association since the last annual or special meeting; they shall be entitled to a Treasurer's report and a report on the budget proposed for the following year; they shall be entitled to a report from the trustees concerning future plans for operation or development of the real property owned by the Association and any charges to shareholders; and they shall be entitled to transact such other business as may properly come before said meeting.

7. Business of Special Meeting. A special meeting of the shareholders shall take up only those matters which are set forth in the notice of special meeting, unless two-thirds of the shareholders present shall consent to considering other matters.
8. Voting. There shall be no cumulative voting for individual positions or on issues. There shall be no voting of fractional shares. Written proxies shall entitle any person so designated therein to voice and vote as though the proxy holder were actually a shareholder.

**Article II**  
Board of Trustees

1. Number, Qualifications, Election, and Removal. The affairs of this Cooperative Association shall be managed and controlled by a board of ~~six~~ seven (6) (7) trustees. Each trustee shall be a shareholder of this corporation and shall have paid, at the time of his election, all financial obligations owed to the Association. It shall be a pre-condition to nomination as a trustee that the Treasurer shall certify such financial obligations to have been paid in full. Each trustee shall serve for a term of three (3) years and until his successor is elected and qualified. No trustee shall serve more than two (2) consecutive terms.

**Resolved and Passed at Annual meeting October 15, 1991**

"The Decatur Head Beach Association Board of Trustees will be expanded from 6 to 7 members and the articles and Bylaws will be amended accordingly."

2. Powers and Duties. The trustees shall have the power to effectuate the purposes of this Cooperative Association as set forth in its Articles of Incorporation, in these Bylaws, and in such resolutions as are duly adopted to govern its affairs; they shall determine and direct the policies and procedures of this Cooperative Association, manage and control the real property owned for the benefit of the shareholders, and elect the officers of the Association and, should the need arise, remove any such officer; they shall have the power to create such other offices for such times and periods as may be necessary; they shall have the power to provide for the safekeeping and preservation of the real and personal property of the Association and the planning for its future development and welfare; they shall provide by assessment of the shareholders such financing as shall be needed to support the Association; they shall have the authority to sell or lease such portions of the real property of the Association on such terms and conditions as they deem advisable in order to provide for the future development of real and personal property of the Association retained; the board shall have the power and duty to provide a fair and equitable method of allowing, as nearly as possible, equal use of the facilities at Decatur Head during the warmer months of the year; they shall have all powers granted at law and in equity to corporate directors or trustees; and they shall take all actions necessary to protect and preserve the assets of the cooperative association for the welfare of its shareholders. The Board of Trustees may make in the normal course of business contracts and incur liabilities, borrow money at such rates or interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property, franchises, and income, not to exceed \$25,000 in any one year.

3. Annual Meeting. The annual meeting of the trustees will be the first scheduled meeting of the trustees following the annual meeting of the shareholders and at such locations as a majority of the trustees may select. No notice of the annual meeting of the trustees shall be required. The annual meeting of the trustees shall elect one from their number who shall be the chairman of the trustees, and he shall be the chief executive officer of the board and shall have the responsibility for calling special meetings of the trustees. Such annual meeting shall also elect the officers of the Association and may take up any other matters of business they may see fit.
4. Special Trustees Meeting. All other meetings of the Board of Trustees shall be at the call of the chairman thereof or at the request of any two members of the board. Notice thereof may be given in such manner as shall be decided by the chairman or the two members requesting the meeting.
5. Executive Committee. The Board of Trustees is authorized to delegate its authority to three of its number provided that the chairman must be one of the three. Such three members of the board shall have the authority to act in the name of the full Board of Trustees provided, that their action shall always be reduced to writing and the same shall be circulated the same among the members of the board who are not members of the executive committee. A majority of the executive committee shall be two of its number.
6. Removal of a Trustee. A trustee may be removed for good cause at any meeting of the shareholders or of the trustees (but not the executive committee of the trustees) provided, there shall be a written notice mailed ten (10) days in advance of such meeting setting forth the fact that one of the purposes thereof is the removal of a trustee naming such trustee and setting forth the good cause for removal. A trustee shall automatically cease to be such at the time he ceases to be a shareholder in this Association.

### **Article III** Officers

1. Designation, Election, and Qualifications. The officers of this Cooperative Association shall be a President, a Vice-President, a Secretary, and a Treasurer, each of whom shall be elected by the Board of Trustees and shall serve at the pleasure of the board. They shall be elected at such annual meeting of the Board of Trustees or at any special meeting of the board called for that purpose. No person shall be an officer of this Cooperative Association who is not a shareholder thereof.
2. Vacancies and Removal. Vacancies in any office may be filled by the Board of Trustees at any meeting. It shall not be necessary for the removal of an officer for the notice of any trustee's meeting to state that as one of the purposes thereof.
3. Special Qualification of Certain Officers. The Chairman of the Board of Trustees shall be the President of the Cooperative Association. The Vice- President and the Treasurer of the Association must be members of the Board of Trustees. All other officers either provided by these bylaws or as created by the Board of Directors may be filled by any shareholder, but not by one who is not a shareholder.

4. Duties of the President. The President shall preside at all meetings of the shareholders of the Association; he shall fulfill the executive duties of the Association; he shall sign all stock certificates; he shall perform all duties incident to the office of a President and such other and further duties as may be required of him by the Board of Trustees; he shall sign all obligations evidencing a indebtedness of this corporation.
5. Qualification and Duties of the Vice-President. The Vice-President shall, in the absence or incapacity of the President, have all the powers granted by the foregoing section, shall accept all of the responsibilities thereof and perform all of the duties thereof, and shall have the duty to implement the method of allowing, as nearly as possible, equal use of the facilities at Decatur Head under the policies laid down by the Board of Directors.
6. Duties of the Secretary. The Secretary of the Association shall keep the minutes of all shareholders meetings; shall attend to the giving and serving ,of all notices of the Association and of its officers and trustees; shall be the custodian of the Association's seal, shall attest with his signature (together with that of the President) all minutes of shareholders meetings, and shall impress with the Association's seal all stock certificates, deeds, bonds, contracts, and all other obligations or instruments in the Association's names; and shall perform such other duties as the Board of Trustees may from time to time designate.
7. Duties of the Treasurer. The Treasurer shall have the care and custody and shall be responsible for the funds and securities of the Association; shall keep a full and accurate record of receipts and disbursements of the Association; shall cause to be deposited all funds and other valuable affects in the name of the Association in such depositories as may be designated by the Board of Trustees; shall keep the stock book of the Association and be responsible for keeping the same accurate and issuing certificates, at the times hereinafter provided; shall be responsible for presenting a budget reflecting anticipated revenues and expenses at the time of each annual meeting; shall, together with the President, sign any obligation evidencing an indebtedness of the Association; and, in general, shall perform all duties incident to the office of Treasurer and such other duties as may from time to time be designated by the Board of Trustees.
8. Compensation of Trustees and Officers. The Board of Trustees may provide for compensation of themselves and of the officers of the Association in an amount not to exceed the actual expenses incurred by the individuals in carrying out their duties to the Association. No other compensation shall be provided any trustee or officer unless the same be authorized by resolution at a meeting of the shareholders of the Association.

#### **Article IV** Stock

1. Certificate. Certificates of stock, when the shares represented thereby have been paid for, shall be issued, from time to time as provided hereinafter, in numerical order to each shareholder with each certificate evidencing the number of shares held by such shareholder and stating on the face thereof that there are restrictions on transferability and forfeitable remedies in voting and directing the shareholder where to discover the nature of such restrictions. All certificates shall be signed by the President (or Vice- President) and the Treasurer, and the Secretary shall seal the same with the Association's seal.

2. Time of Issuance of Certificate. Certificates shall be issued to shareholders at the time any shareholder subscription shall be paid in full, at the time of any initial down-payment by any shareholder, at the time of any payment on the underlying principal made by any shareholder purchasing shares on an installment basis and, also for shareholders purchasing such shares on an installment basis, ten (10) days before any special or annual meeting of the shareholders.
3. Voting. All shareholders shall vote only those shares actually issued to them at the time of any shareholders meeting, subject to the restrictions heretofore set forth that fractional shares shall not be voted.
4. Transfers and Closing of Transfers. Transfers of the stock of this Association shall be made only in the Association's stock register, and all old stock certificates, properly endorsed, or accompanied by documentation of transfer acceptable to the Treasurer, shall be surrendered and canceled before a new certificate may be issued. For the purpose of a record date for determining the shareholders entitled to vote in any shareholders meeting, or entitled to receive any allotment of right, transfers of the stock in the Association's stock book shall be closed by the Treasurer at least fifteen (15) days before any such meeting or allotment. Notwithstanding any subsequent transfer of shares, the Association shall not be bound thereby and may act as though the owner on the date the stock book was closed remain the owner thereof in fact, and the Association shall not be liable to any shareholder or transferee of shares for acting in accordance with this provision.
5. Recognition of Ownership. The Association shall be entitled to treat the record holder of any shares as the holder in fact and accordingly shall not be bound to recognize any equitable or other claim to, or interest in, such shares on the part of any other person, whether or not the Association shall have express or other notice thereof, except only as provided by the laws of the State of Washington or of the United States.
6. Lost or Destroyed Certificates. In the event of the loss or destruction of a certificate of stock, another may be issued in its place and stead upon satisfactory proof of such loss or destruction, and upon the giving of a bond of indemnity which is satisfactory to the Board of Trustees of the Association. However, a new certificate may be issued in such cases without requiring any bond when, in the judgment of the Board of Trustees, it is deemed proper to do so. Any such new certificate shall be plainly marked "DUPLICATE" on its face.
7. Restriction on Sale: Notice Thereof. To prevent the overcrowding of the real property at Decatur Head and to preserve its unparalleled ecology, shares of stock in this Association shall be sold only to an individual or to a marital community; no shares shall be resold by any shareholder to anyone other than an individual or a member of a marital community. Notice of these restrictions shall be given all prospective shareholders prior to or at the time of their purchase of shares, and notice of the fact that there is a restriction shall be placed on the face of every stock certificate.
8. Restrictions on Transfers. Any shareholder desiring to sell his shares may only sell the total amount then owned by him. If any shareholder shall desire to sell or shall solicit or receive

an offer to purchase, the shareholder shall first offer the shares to the Association for the price he was offered and/or agreed to. The seller shall notify in writing the Association and the entire membership thirty (30) days prior to taking any action on the salable shares. The Association shall have thirty (30) days from the receipt of the offer in which to determine whether to purchase the stock itself or to allow said shareholder to sell to a third party. This right of the Association is a material right, and it shall be within the sole discretion of the trustees whether to purchase the shareholder's interest for the amount for which he wishes to sell his stock or for an amount equal to the offer said shareholder has received. Notice of this provision shall be placed on all stock certificates. A transfer fee of five percent (5%) of the selling price of the membership will be collected from the sale of the membership.

9. Rights of Installment Purchaser. Any individual or marital community purchasing shares on an installment basis shall, so long as his payments are current, be entitled to all the rights of a shareholder. Such individual may be elected to the Board of Trustees or to an office; such person may also use the facilities at Decatur Head so long as he is otherwise in good standing.

## **Article V** Purchase of Shares in the Association

- ~~1. Restriction on Number of Shareholders. To prevent the overcrowding of the real property and facilities being purchased at Decatur Head and to preserve its pristine ecology, shareholders shall be restricted to forty (40) individuals or marital communities.~~

**9/14/93 Article V, paragraph 1** is amended in its entirety to read as follows:

- "1. Restriction on Number of Shareholders. To prevent overcrowding of the real property and facilities of the Association and to preserve its pristine ecology, shareholders shall be restricted to forty-two (42) individuals or marital communities."
2. Purchase of Shares. All installment payments made shall be allocated by the Treasurer between principal and interest with stock being issued to reflect payment on principal only. All payments to the Association shall be made at such place as the Treasurer may, from time to time, designate. All payments shall be due not later than the 10th of each calendar month.
3. Additional Purchase Costs. In addition to the foregoing payments, all shareholders shall pay the Association their proportionate share of all taxes levied by governmental agencies against the real and personal property of the Association together with their proportionate share of the insurance necessary to safeguard all additions to the real property and all personal property of the Association. Such payments shall be made to the Treasurer at the time and in the amount determined by the Treasurer.
4. Remedies of the Association. The Association is purchasing the real property on Decatur Head, the improvements to the real property, and the personal property thereof on a forfeitable contract; the failure by any shareholder to pay in full, or in installments as contracted for, may result in a forfeiture of the underlying contract held by the Association and a consequent loss of Decatur Head and all its improvements. Therefore, the failure by

any shareholder to make the payments required by this article at the time when such payment is due at the time and manner required shall be a material break of the duties the shareholder owes the Association and the Association shall be entitled to take the following remedies, to-wit:

- (1) Give written notice to the shareholder, directed to such shareholder's last address as reflected in the stock book of the Association, notifying said shareholder of the nature of his breach of duty, the amount due and to become due, and that he will have thirty (30) days from the date of said notice in which to remedy said breach;
- (2) If, at the end of said thirty (30) days, said shareholder has not performed in accordance with this article, the Association shall give a second notice, also directed to the shareholder at his address as shown in the stock book, declaring his interest in the Association and his shareholding to be forfeited and demanding the return of all said shareholder's stock certificates endorsed in favor of the association;
- (3) Should said shareholder not deliver to the Treasurer of the Association stock certificates endorsed as provided immediately hereinabove within ten (10) days after the date of mailing of the second notice, the Association shall have the right to commence an action, the venue of which all shareholder agree may be in King County, Washington, to forfeit said shareholder's interest;
- (4) Upon the commencement of any action to forfeit an interest, the Association shall be entitled to recover from said shareholder, in addition to the forfeiture of his interest, reasonable attorney's fees and court costs in an amount to be determined in such action.

## **Article VI**

### Other Assessments and Charges

1. Uniformity. Should the Board of Trustees provide assessments and charges for the repair, replacement, or additions to the improvements to the real property or the personal property of the association (pursuant to II.2), all such charges and assessments shall be uniform and equal.
2. Notice of Assessment. The board shall cause the Secretary to give written notice to all members, at their addresses as last shown in the stock book, of all such charges and assessments, and such charges and assessments, wherever practicable, shall be posted in appropriate physical locations; said notices shall also provide the time and method of paying such assessments and charges.
3. ~~Vote on Assessments. A vote by the membership of the Association must be taken on any proposed assessment totaling more than \$100 per membership per year.~~

**10/19/2000 Article VI, paragraph 1** is amended in its entirety to read as follows:

3. Vote on Assessments. A vote by the membership of the Association must be taken on any proposed assessment totaling more than \$100 per membership per year. The votes may be taken at an annual meeting, a special meeting or by a mail/e-mail voting method.

4. Use of Facilities when Delinquent. Should such assessments and charges be not paid when due, the shareholder who is delinquent in payment shall have no right to the use of the facilities at Decatur Head. The board shall have the responsibility of enforcing this section by appropriate means.
5. Material Delinquency. Any failure to pay such charges and assessments for a period of ninety (90) days after due shall be a material delinquency. The board shall cause the Secretary to give notice to the delinquent shareholder, addressed to his last address as reflected in the stock book of the Association, setting forth not only the fact of such delinquency but to include the amount thereof, the fact that such delinquency is material and could result in a forfeiture, the nature causing the forfeiture, and such other remedies as the board may from time to time adopt to remedy such delinquency.
6. Ultimate Remedy. Should any delinquent shareholder not remedy such delinquency within thirty (30) days after the date the notice of delinquency required by the preceding paragraph was mailed by the Secretary, the board shall give notice to the shareholder, at his address as provided herein above, declaring his interest in the Association as shareholder to be forfeited and demanding the return of all shareholder's stock certificates endorsed in favor of the Association.

Should said shareholder not deliver to the Treasurer of the Association his stock certificates endorsed as provided immediately herein above within ten (10) days after the date of mailing of the second notice, the Association shall have the right to commence an action, the venue of which all shareholders agree may be in King County, Washington, to forfeit said shareholder's interest.

Upon the commencement of any action to forfeit an interest, the Association shall be entitled to recover from said shareholder, in addition to the forfeiture of his interest, reasonable attorney's fees and court costs in an amount to be determined in such action.

## **Article VII** Parliamentary Authority

1. Rules of Governing. The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Association may adopt.

## **Article VIII** Amendment

- ~~1. Method. These bylaws may be amended by the Board of Trustees of this Association at any annual meeting, or at any special meeting properly called for that purpose, or these bylaws may be amended by a two-thirds (2/3) majority of the shareholders at any regular or special meeting thereof properly called for that purpose provided, that in any regular or special meeting of the shareholders or trustees where it is proposed that a provision of these bylaws be changed, the notice of such meeting shall set forth the text of the bylaws proposed to be amended, together with the text of the proposed amendment.~~

**10/19/2000 Article VIII, paragraph 1** is amended in its entirety to read as follows:



1. Method. These bylaws may be amended by the Shareholders of this Cooperative Association by a two-thirds (2/3) majority at any annual meeting or at any special meeting properly called for that purpose, provided that in the notice of such meeting shall be set forth the text of the bylaws proposed to be amended, together with the text of the proposed amendment.

**Article IX**  
Seal

1. Description. The seal of this Association shall be an impression by means of raised letters and figures to read as follows, and of which an impression is hereto affixed: Decatur Head Beach Association - Official Seal Washington - 1972.

**9/14/95 ARTICLE X**  
FISCAL YEAR

The fiscal year of the Association shall be the twelve (12) month period ending on September 30 in each year."

**9/14/95 ARTICLE XI.**  
INDEMNIFICATION

11.1 DEFINITIONS. as used in this Article 11:

11.1.1 "Action" means any actual or threatened claim, suit, or proceeding, whether civil, criminal, administrative, or investigative.

11.1.2 "Another Enterprise" means an association (other than the Association), corporation, partnership, joint venture, trust, committee, employee benefit plan, or other group or entity.

11.1.3 "Association" means Decatur Head Beach Association and any predecessor to it and any constituent corporation or association (including any constituent of a constituent) absorbed by the Association in a consolidation or merger.

11.1.4 "Trustee or Officer" means each person who is serving or who has served as a trustee or officer of the Association or, at the request of the Association, as a director, officer, employee, or agent of Another Enterprise.

11.1.5 "Indemnitee" means each person who was, is, or is threatened to be made a party to or is involved (including without limitation, as a witness) in an Action because the person is or was a Trustee or Officer of the Association.

11.1.6 "Loss" means loss, liability, expenses (including attorneys' fees), judgments, fines, ERISA excise taxes or penalties, and amounts to be paid in settlement, actually and reasonably incurred or suffered by an Indemnitee in connection with an Action.

**11.2 RIGHT TO INDEMNIFICATION.** The Association shall indemnify and hold each Indemnitee harmless against all Loss except for Losses arising out of: (a) the Indemnitee's acts or omissions finally adjudged to be intentional misconduct or a knowing violation of law or (b) any transaction in which it is finally adjudged that the Indemnitee personally received a benefit in money, property, or services to which the Indemnitee was not legally entitled. Except as provided in paragraph 11.4 below, the Association shall not indemnify an Indemnitee in connection with an Action (or part thereof) initiated by the Indemnitee unless such Action (or part thereof) was authorized by the Board of Trustees of the Association. If, after the effective date of this Article 11, the Washington Cooperative Association Act is amended to authorize further indemnification of trustees or officers, then Trustees and Officers of this Association shall be indemnified to the fullest extent permitted by the Washington Cooperative Association Act, as so amended.

**11.3 BURDEN OF PROOF AND PROCEDURE FOR PAYMENT.**

11.3.1 The Indemnitee shall be presumed to be entitled to indemnification under this Article 11 upon submission of a written claim (including a claim for expenses incurred in defending any Action in advance of its final disposition, where the undertaking in subparagraph 11.3.2 below has been tendered to the Association), and thereafter the Association shall have the burden of proof to overcome the presumption that the Indemnitee is not so entitled.

11.3.2 The right to indemnification conferred in this Article 11 shall include the right to be paid by the Association all expenses (including attorneys' fees) incurred in defending any Action in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of an Action shall be made upon delivery to the Association of an undertaking, by or on behalf of such Trustee or Officer, to repay all amounts so advanced if it shall ultimately be determined that such Trustee or Officer is not entitled to be indemnified under this Article 11 or otherwise.

**11.4 RIGHT OF INDEMNITEE TO BRING SUIT.** If a claim under this Article 11 is not paid in full by the Association within sixty (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 twenty (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 Indemnitee shall be entitled to be paid also the expense of prosecuting such claim. Neither the failure of the Association (including its Board of Trustees, its shareholders, or independent legal counsel) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances, nor an actual determination by the Association (including its Board of Trustees, its shareholders, or independent legal counsel) that the Indemnitee is not entitled to indemnification or to the reimbursement or advancement of expenses, shall be a defense to the action or create a presumption that the Indemnitee is not so entitled.

**11.5 NONEXCLUSIVITY OF RIGHTS.** The right to indemnification and the payment of expenses incurred in defending an Action in advance of its final disposition conferred in this Article 11 shall not be exclusive of any other right which any person may have or hereafter

acquire under any statute, provision of the Articles of Incorporation, By-Laws, agreement, vote of shareholders or disinterested trustees, or otherwise.

**11.6 INSURANCE, CONTRACTS, AND FUNDING.** The Association may maintain insurance, at its expense, to protect itself and any Trustee, Officer, employee, or agent of the Association or Another Enterprise against any expense, liability, or loss, whether or not the Association would have the power to indemnify such person against such expense, liability, or loss under the Washington Cooperative Association Act. The association may, without further shareholder action, enter into contracts with any Trustee or Officer of the Association in furtherance of the provisions of this Article 11 and may create a trust fund, grant a security interest, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article 11.

**11.7 INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE ASSOCIATION.** The Association may, by action of its Board of Trustees from time to time, provide indemnification and pay expenses in advance of the final disposition of an Action to employees and agents of the Association with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Trustees and Officers of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Cooperative Association Act or otherwise.

**11.8 CONTRACT RIGHT.** Rights of indemnification under this Article 11 shall continue as to an Indemnitee who has ceased to be a Trustee or Officer and shall inure to the benefit of his or her heirs, executors, and administrators. The right to indemnification conferred in this Article 11 shall be a contract right upon which each Trustee or Officer shall be presumed to have relied on in determining to serve or to continue to serve as such. Any amendment to or repeal of this Article 11 shall not adversely affect any right or protection of a Trustee or Officer of the Association for or with respect to any acts or omissions of such Trustee or Officer occurring prior to such amendment or repeal.

**11.9 SEVERABILITY.** If any provision of this Article 11 or any application thereof shall be invalid, unenforceable, or contrary to applicable law, the remainder of this Article 11, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, unenforceable, or contrary to applicable law, shall not be affected thereby and shall continue in full force and effect.

## **10/19/2000 ARTICLE XII**

### **12.1 MAIL/E-MAIL VOTING**

**12.1.1** The Board of Trustees may request a shareholder vote by mail or fast mail on any matter, with the exception of changes in the Bylaws of Decatur Head Beach Association, they may deem to be necessary before the next annual meeting. Further they will have determined that this type of ballot is more advantageous to the association than a special meeting. Ballots may actually be cast by mail, fast mail, or e-mail as specified in the request.

12.1.2 Mail will be normal postal service to home or post office box. Fast mail will be faster service and will be an especially speedy service similar to priority mail or Fedex. E-mail will be electronic mail using those types of service commonly available by computer.

~~12.1.3 Proposals, arguments, options and explanations will be sent out by mail or fast mail such that normal mailing addresses can be reached. Ballots will be available for mail or e-mail and be cast by either method.~~

**10/16/2012 Article XII, paragraph 3** is amended in its entirety to read as follows:

12.1.3 Proposals, arguments, options, explanations and the ballot will be sent out by email unless a member requests in writing that all correspondence be sent to a mailing address. Members are responsible for keeping both email and mailing addresses up to date with DHBA.

12.1.4 The ballots will be due no sooner than 21 days after the original posting.

12.1.5 A proposal will be considered passed if it receives a majority of the votes cast, assuming at least the holders of a majority of the outstanding shares authorized to vote, as shown by the corporate stock, have voted by mail, fast mail or e-mail.