

**BYLAWS  
OF  
DUNGENESS HOMES**

**(amended 8/1/18)**

**ARTICLE I**

**Purposes**

- 1. Charitable Purposes. The purpose of this nonprofit Corporation shall be to operate exclusively for charitable, scientific, literary or education purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 (as amended, or any successor provision or code).**
  
- 2. Primary Purposes. The primary purposes of the Corporation shall be to:**
  - 2.1. Extend the love, mercy and compassion of Dungeness Valley Lutheran Church's mission and ministry into the community.**
  
  - 2.2. Provide affordable housing and housing-related services to the poor and underprivileged people of Sequim and Clallam County.**
  
  - 2.3. Support and assist organizations and programs which provide housing and other humanitarian assistance for the relief of the poor, the distressed or underprivileged.**
  
  - 2.4. Encourage others to support and assist the Corporation's work in the community through contributions of time, money and talents.**
  
  - 2.5. Provide support services and meeting space for activities consistent with the charitable purposes of the Corporation.**
  
  - 2.6. Undertake any other educational, charitable or humanitarian activities consistent with the purposes of the Corporation.**
  
  - 2.7. Undertake all businesses and all activities permitted to nonprofit corporations under the Washington Nonprofit Corporation Act (Chapter 24.03 RCW), provided that the exercise of such powers is consistent with the purposes for which the Corporation is organized.**

**ARTICLE II**

## Registered Office and Registered Agent

1. **Registered Office.** The registered office of the Corporation shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office. A registered agent so appointed shall consent to appointment in writing, and such consent shall be filed with the Secretary of State of the State of Washington.
2. **Change of Address.** If a registered agent changes the street address of the agent's business office, the registered agent may change the street address of the registered office of the Corporation by notifying the Corporation in writing of the change and signing, either manually or in facsimile, and delivering to the Secretary of State for filing a statement of such change, as required by law.
3. **Change of Agent.** The Corporation may change its registered agent at any time upon the filing of an appropriate notice with the Secretary of State, with the written consent of the new registered agent either included in or attached to such notice.
4. **Other Offices.** In addition to the registered office of the Corporation, the Corporation may have such other offices as the Board of Directors may from time to time designate.

## ARTICLE III

### Members

1. **Membership.** The sole member of this Corporation shall be Dungeness Valley Lutheran Church, a Washington nonprofit corporation exempt from federal taxation under Internal Revenue Code 501(c)(3) ("Dungeness Valley"), acting through Dungeness Valley's ~~Church~~ Congregation Council ("Council"). In addition to doing all things required or allowed by law, Dungeness Valley shall, from time to time, as provided in the Articles of Incorporation or these Bylaws, (a) elect certain Directors of the Corporation, (b) ratify the election of certain other Directors of this Corporation, (c) independently amend the Corporation's Articles of Incorporation or Bylaws and (d) approve expressly all amendments to the Corporation's Articles of Incorporation or Bylaws before they become effective.
2. **Annual and Special Meetings.**
  - 2.1. The annual meeting of the member of this Corporation shall be held on the campus of Dungeness Valley or at such other place as the Council may from

**time to time establish, on a date which shall be annually determined by the Council for the purpose of electing certain Directors, and ratifying the election of other Directors, of this Corporation and for transaction of such other business as may properly come before the meeting. At all meetings of the member, the actions of the Council shall constitute the actions of the member and no congregational ratification of such action shall be required.**

**2.2. Special meetings of the member, other than those regulated by statute, may be called at any time by the President of the Council, upon receipt of a written request from three of the members of the Council or upon receipt of a written request from the Corporation's Board of Directors.**

## ARTICLE IV

### Board of Directors

1. **Powers.** The management of all the affairs, property and interests of the Corporation shall be vested in a Board of Directors. In addition to the powers and authorities expressly conferred upon it by these Bylaws and by the Articles of Incorporation, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts as are not prohibited by statute or by the Articles of Incorporation or by these Bylaws.
2. **General Standards for Directors.** A Director shall discharge the duties of a Director, including duties as a member of a committee:
  - (a) in good faith;
  - (b) with the care an ordinary prudent person in a like position would exercise under similar circumstances; and
  - (c) in a manner the Director reasonably believes to be in the best interests of the Corporation.
3. **Number and Term.** The Board of Directors shall consist of not more than fifteen (15) nor less than five (5) persons. The Directors (other than the Council representative) elected during 2018 shall be divided into three (3) classes. The initial term of Class 1 Directors shall expire on December 31, 2019; the initial term of Class 2 Directors shall expire on December 31, 2020; and the initial term of Class 3 Directors shall expire on December 31, 2021. As the initial term of each of the foregoing classes of Directors expires, the successors of such class shall be elected for a term of three (3) years or until their successors are elected and qualified. No person other than the Council representative shall serve more than three (3) consecutive terms as a Director of the Corporation.
4. **Categories of Directors; Election.** At all times, the persons serving on the Board of Directors for this Corporation shall include at least **one** member of the Council. The remaining members shall be elected by the Board of Directors and shall include at least four (4) members of Dungeness Valley Lutheran Church. All members are subject to ratification by the Council, to serve the missions of the Corporation and Dungeness Valley. The Directors shall be elected, or their elections

ratified, at the annual meeting, at a regular meeting, or at a special meeting of the Board of Directors or Council, as the case may be.

**5. Change of Number.** The number of Directors may at any time be increased or decreased by amendment to these Bylaws in accordance with Article IX of these Bylaws. Any amendments by the Directors shall not be effective until ratified by the Council.

**6. Vacancies.** All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, shall be temporarily filled by election of the remaining Directors at any regular or special meeting. Vacancies shall be filled permanently by the same process applicable for annual elections, including ratification of certain Directors by the Council.

**7. Resignation.** A Director may resign at any time by delivering written notice to the Board of Directors, the Board Chair or the Secretary. A resignation is effective when the notice is delivered unless the notice specifies a later effective date.

**8. Removal of Directors.** Any Director may be removed by the vote of seventy five percent (75%) of the other Directors at any regular meeting or special meeting or by the vote of a majority of the Council at any regular meeting or special meeting of the Council; provided that no removal by the Directors shall be effective until ratified by the Council.

**9. Annual Meeting.** The annual meeting of the Directors for the purpose of electing certain Directors, subject to ratification by the Council, and transacting such other business as may properly come before the meeting shall be held each year on such date and at such hour as may be determined by resolution of the Board of Directors from time to time.

**10. Regular Meetings.** Regular meetings of the Board of Directors or any committee may be held without notice at the principal office of the Corporation or at such other place or places, either within or without the State of Washington, as the Board of Directors or such committee, as the case may be, may from time to time designate.

**11. Special Meetings.**

**11.1.** Special meetings of the Board of Directors may be called at any time by the Board Chair or by any Directors, including the Chair of the Board of Directors, to be held at the registered office of the Corporation or at such other place or places as the Board of Directors or the person or persons calling such meeting may from time to time designate. Notice of all special meetings of the Board of Directors, stating the date, time and place thereof, shall be given at least

two (2) days prior to the date of the meeting, in accordance with the provisions set forth in Article VI of these Bylaws. Such notice need not specify the business to be transacted at, or the purpose of, the meeting.

11.2. Special meetings of any committee of the Board of Directors may be called at any time by such person or persons and with such notice as shall be specified for such committee by the Board of Directors, or in the absence of such specification, in the manner and with the notice required for special meetings of the Board of Directors.

12. Waiver of Notice. A Director may waive any notice required by law, by the Articles of Incorporation or by these Bylaws before or after the time stated for the meeting, and such waiver shall be equivalent to the giving of such notice. Such waiver must be in writing, signed by the Director entitled to such notice and delivered to the Corporation for inclusion in the minutes or filing with the corporate records. A Director's attendance at or participation in a meeting shall constitute a waiver of any required notice to the Director of the meeting unless the Director at the beginning of the meeting, or promptly upon the Director's arrival, objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

13. Quorum. A majority of the full Board of Directors shall be necessary at all meetings to constitute a quorum for the transaction of business. If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present is the act of the Board of Directors, except as otherwise provided in these Bylaws.

14. Registering Dissent. A Director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken is deemed to have assented to such action unless (a) the Director's dissent or abstention from the action is entered in the minutes of the meeting; or (b) the Director delivers written notice of the Director's dissent or abstention to the presiding officer of the meeting before its adjournment or to the Corporation within a reasonable time after adjournment of the meeting. The right to dissent or abstain is not available to a Director who voted in favor of the action taken.

15. Action by Directors Without a Meeting.

15.1. Any action required or permitted to be taken at a meeting of the Board of Directors, or of a committee thereof, may be taken without a meeting if all members of the Board of Directors take the action. The action must be evidenced by one or more written consents setting forth the action taken, signed by each of the Directors, or by each of the members of the committee, as the case may be, either before or after the action taken, and delivered to the Corporation for inclusion in the minutes or filing with the Corporation's records. Subject to

appropriate safeguards, consents transmitted by facsimile or by e-mail shall be considered valid written consents.

15.2. Action taken under this Section is effective when the last Director signs the consent, unless the consent specifies a later effective date.

16. Participation by Means of Communications Equipment. Any or all Directors may participate in a regular or special meeting of the Board of Directors (or of a committee thereof) by, or may conduct the meeting through the use of, any means of communication by which all Directors participating can hear each other during the meeting.

17. Officers of the Board. The Board of Directors shall elect a Chair, a Vice Chair, a Secretary a Treasurer and such other officers of the Board as the Board shall determine. The Chair of the Board shall have all powers normally possessed by a chair of a board of directors. The Secretary of the Board shall be the Secretary of the Corporation and shall have the powers ascribed to such office in Section 5.3.3 of these Bylaws.

#### 18. Committees.

18.1. The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may create one or more committees of Directors. Each committee must consist of ~~two~~ one or more Directors, together with such other persons not serving as Directors as the Board of Directors shall approve, all of whom serve at the pleasure of the Board of Directors. ~~To the extent specified by the Board of Directors, each committee may exercise the authority of the Board of Directors, except that no~~ No committee shall have the authority to:

(i) approve or propose to the full Board of Directors action that by law is required to be approved by the Directors, including, but not limited to, merger, consolidation or the sale, lease or exchange of all or substantially all of the property and assets of the Corporation not in the ordinary course of business;

(ii) elect, appoint, or remove Directors, officers or any member of any committee;

(iii) amend the Articles of Incorporation;

(iv) adopt, amend or repeal these Bylaws; or

**(v) approve a plan of merger not requiring Director approval.**

**18.2. The creation of, delegation of authority to or action by a committee does not relieve the Board of Directors, or any individual Director, of any responsibility imposed upon the Board of Directors or an individual Director by law.**

**18.3. Each member of a committee shall continue as such until the next annual meeting of the Directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member cease to qualify as a member thereof.**

**18.4. Appointments made in the same manner as provided in the case of the original appointments may fill vacancies in the membership of any committee.**

**18.5. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.**

**19. Remuneration. No stated salary shall be paid Directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors or of a committee thereof; provided, that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.**

## **ARTICLE V**

### **Officers**

**1. Designations. The officers of the Corporation shall be the Board Chair, a Secretary, a Treasurer and such other officers and assistant officers as may be deemed necessary by the Board of Directors. The Board of Directors shall appoint all officers. The same individual may hold any two or more offices, except that the same individual may not hold the offices of Board Chair and secretary.**



**2. Appointment and Term of Office.** The officers of the Corporation shall be appointed annually by the Board of Directors at the annual meeting of the Board of Directors. Each officer shall hold office until a successor shall have been appointed and qualified, or until such officer's earlier death, resignation or removal.

**3. Powers and Duties.** If the Board appoints persons to fill the following positions, such officers shall have the power and duties set forth below:

**3.1. The Board Chair.** The Board Chair of the Corporation shall act as liaison from and as spokesman for the Board of Directors. The Board Chair shall participate in longrange planning for the Corporation and shall be available to the other officers of the Corporation for consultation. The Board Chair shall possess power to sign all certificates, contracts and other instruments of the Corporation. The Board Chair shall preside at all meetings of the Board of Directors. The Board Chair shall perform all such other duties as are incident to the office of Board Chair or are properly required by the Board of Directors. The Board Chair shall be a member of the Board of Directors.

**3.2. The Board Vice Chair. In the absence of the Chair, the Vice Chair shall act as the Chair and carry out the duties described in 3.1 above.**

**3.3. The Secretary.** The Secretary shall issue notices for all meetings, except for notices for special meetings of the Directors which are called by the requisite number of Directors, shall keep minutes of all meetings, shall have charge of the seal and the Corporation's books, and shall make such reports and perform such other duties as are incident to the office of Secretary, or are properly required of him or her by the Board of Directors. The Secretary shall be a member of the Board of Directors.

**3.4. The Treasurer.** The Treasurer shall have the custody of all moneys and securities of the Corporation and shall keep regular books of account. The Treasurer shall disburse the funds of the Corporation in payment of the just demands against the Corporation or as may be ordered by the Board of Directors, taking proper vouchers or receipts for such disbursements, and shall render to the Board of Directors from time to time as may be required an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall perform such other duties incident to his or her office or that are properly required by him or her by the Board of Directors. The Treasurer need not be a member of the Board of Directors.

**4. Vacancies.** The Board of Directors may fill vacancies in any office arising from any cause at any regular or special meeting of the Board.

**5. Resignation.** An officer may resign at any time by delivering notice to the Corporation. Such notice shall be effective when delivered unless the notice specifies a later effective date. Any such resignation shall not affect the Corporation's contract rights, if any, with the officer.

**6. Removal.** Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**7. Salaries and Contract Rights.** The salaries, if any, of the officers shall be fixed from time to time by the Board of Directors. The appointment of an officer shall not of itself create contract rights.

**8. Executive Officers.** The Board of Directors shall have authority to appoint such executive officers as the Board of Directors may determine necessary and appropriate to manage the business and affairs of the Corporation. Such executive officers may include, but shall not be limited to, an executive director to be the chief executive officer of the Corporation who, subject to the direction and control of the Board of Directors, shall have general control and management of the business affairs and policies of the Corporation.

## **ARTICLE VI**

### **Notices**

Except as may otherwise be required by law, any notice to any Director or officer must be in writing and may be transmitted by: e-mail, mail, private carrier or personal delivery; or telephone, wire or wireless equipment which transmits a facsimile of the notice or by electronic mail. Written notice by the Corporation to its Directors shall be deemed effective when sent by email (with confirmation of receipt) or mailed, if mailed with firstclass postage prepaid and correctly addressed to the Director's address shown in the Corporation's current record of Directors. Except as set forth in the previous sentence, written notice shall be deemed effective at the earliest of the following: (i) when received (if via e-mail by confirmation of receipt); (ii) five (5) days after its deposit in the United States mail, as evidenced by the postmark, if mailed with firstclass postage, prepaid and correctly addressed; or (iii) on the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and receipt is signed by or on behalf of the addressee.

## **ARTICLE VII**

## **Contracts, Checks, Deposits and Funds**

- 1. Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
- 2. Checks, Drafts, etc.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, the Treasurer or the Board Chair shall sign such instruments.
- 3. Deposits.** All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.
- 4. Gifts.** The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

## **ARTICLE VIII**

### **Books and Records**

The Corporation shall keep a copy of the following records at its registered or principal office:

- 1. The Articles or Restated Articles of Incorporation and all amendments thereto currently in effect;**
- 2. The Bylaws or Restated Bylaws and all amendments thereto currently in effect;**
- 3. A record of Directors, including names and addresses;**
- 4. Correct and adequate records of accounts and finances;**
- 5. A record of officers' and Directors' names and addresses;**
6. Minutes of the proceedings of the Board of Directors, and the committees of the Board of Directors, if any, and copies of all actions taken by the Board of Directors and committees without a meeting.

## **ARTICLE IX**

### **Fiscal Year**

**The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.**

## **ARTICLE X**

### **Liability and Indemnification**

**The following provisions shall govern the liability, indemnification and other matters involving the Directors, officers and agents of the Corporation:**

**10.1. Liability of Directors.** A Director of the Corporation shall not be personally liable to the Corporation for monetary damages for conduct as a Director, except for liability of the Director (i) for acts or omissions which involved intentional misconduct by the Director or a knowing violation of law by the Director or (ii) for any transaction from which the Director will personally receive a benefit in money, property or service to which the Director is not legally entitled.

10.1.1 If the Washington Nonprofit Corporation Act is amended to authorize corporate action further eliminating or limiting the personal liability of Directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Washington Nonprofit Corporation Act, as so amended.

10.1.2 Any repeal or modification of the foregoing Section by the members of the Corporation shall not adversely affect any right or protection of a Director existing at the time of such repeal or modification.

**10.2. Indemnification.** The Corporation shall indemnify the Directors, officers, employees, and other persons and agents against all liability, damage, and expenses arising from or in connection with service for, employment by, or other affiliation with the Corporation or other firms or entities to the maximum extent and under all circumstances permitted by law as more fully set forth in these by-laws; provided that no indemnification shall be provided under this Section to any such person if the Corporation is prohibited by the nonexclusive provisions of the Washington Nonprofit Corporation Act or other applicable law as then in effect from paying such indemnification or, if in the opinion of counsel, payment of such indemnification would subject the Corporation to imposition of excise taxes under the Internal Revenue Code or would cause the Corporation to lose its exempt status from federal income taxation.

**ARTICLE XI (NEW)**  
**Real Property Limitations**

**The Board of Directors shall not have the power to lease, sell or otherwise encumber Dungeness Valley Lutheran Church property without the consent of the Church Congregation in accordance with the Congregation Constitution.**

**ARTICLE ~~XI~~ XII**

**Amendments**

The Board of Directors shall have power to amend or repeal the Bylaws of, or adopt new Bylaws for, the Corporation by majority vote of the Directors at any regular or special meeting; provided, however, that ten (10) days written notice of such proposed Bylaws change is first given to all Board members. Such amendments shall not be effective until ratified by the Council. In addition, the Council shall have the power to amend or repeal the Bylaws of, or adopt new Bylaws for, the Corporation by majority vote of the Council members at any regular or special meeting of the Council.

ADOPTED BY THE BOARD OF DIRECTORS ON \_\_\_\_\_,  
2018.

\_\_\_\_\_  
\_\_\_\_\_, Secretary