

BYLAWS
Effective May 7, 2014

BEACHCREST COMMUNITY ASSOCIATION

ARTICLE I

PURPOSE

1.1 The Beachcrest Community Association is a non-profit corporation formed in accordance with the laws of the State of Washington for the purpose of managing and maintaining the easements, roads, trails, paths, common properties, beach areas and fronting tidelands conveyed by the developer or since acquired.

1.2 The Association shall own, manage and operate the same for the benefit of all property owners of the Beachcrest First Addition.

ARTICLE II

MEMBERSHIP

2.1 The membership of Beachcrest Community Association shall consist of the owners of lots in Beachcrest First Addition of Thurston County. The term "owner" shall be deemed to include a contract purchaser so long as the purchaser has not been declared to be in default. When a member sells or transfers a lot owned by him/her, the purchaser of said lot shall succeed to the ownership of said membership. All the interest of the member in the corporation granted pursuant to ownership of a lot in Beachcrest shall automatically cease upon the transfer or conveyance of his/her interest in the lot and they shall not be remunerated therefor. If there is any question as to ownership of lots, the member whose name appears on the Beachcrest records as responsible for assessments, fees or dues shall be the member of record.

2.2 Each member (whether it is an individual, household, corporation or partnership) of the Association shall be entitled to a single voting interest; and the interest of each member shall be equal to that of any other and no member can acquire any greater interest which will entitle him/her to any greater voice, vote, authority, or interest in the Association than any other member, regardless of the number of lots owned.

2.3 The membership shall determine membership fees, dues and special assessments. The membership shall receive notice (see Article 3.5) of said proposed changes.

(a) Annual meetings: Any proposed changes in fees, dues and special assessments intended for consideration by the membership at an Annual meeting must be presented by or to the Board of Trustees by February 1st of that calendar year. Notice of such proposed changes should be noted in meeting minutes at a meeting of the Board or the Association, if any, that occurs prior to the Annual meeting;

(b) Special meetings: Any proposed changes in fees, dues and special assessments intended for consideration by the membership at a special meeting must be presented by or to the Board of Trustees at least sixty days before a special meeting. Notice of such proposed changes should be noted in the meeting minutes of any meeting of the Board or Association, if any, that occurs prior to the special meeting.

(c) Presentment may be satisfied informally, by submitting the proposal in writing, electronically or otherwise, to any Board member at any time, or formally at any meeting of the Board or Association.

2.3.1 Inflationary Index for Annual Assessment: Prior to the mailing of the annual statement of assessments, the Board Of Trustees shall review the inflation rate for the years since the benchmark year as documented by the Consumer Price Index [CPI], US Dept of Labor, Average Price Data, All Urban Consumers, Western Region, All Items, 1982-84 = 100¹ for last December. The benchmark year used to calculate the amount of inflation will be the December index of the year of the last change in the base amount of the assessment. For each two [2] per cent of increase in the CPI above the benchmark year, the Board may add an inflation surcharge of two [2] percent of the current assessment amount (rounded up to the nearest dollar) to the basic annual amount assessed on each property. The increase will be added without the need for further considerations or approval by the Membership but in no case shall it exceed more than twenty [20] dollars in any given year. Increases of less than two full points from the last inflationary surcharge or decreases in the rate will not be considered for the current year.

ARTICLE III

MEMBERS' MEETINGS

3.1 MEETING PLACE. All meetings of the members shall be held at the registered office of the corporation, or at such other place as shall be determined from time to time by the Board of Trustees, and the place at which any such meeting shall be held shall be stated in the notice of the meeting.

3.2 ANNUAL MEETING TIME. The Annual Meeting of the members, for the transaction of such business as may properly come before the meeting, shall be held each year on the first Wednesday of May.

3.3 ANNUAL MEETING - ORDER OF BUSINESS At the Annual Meeting of members, the order of business shall be as follows:

- (a) Calling the meeting to order
- (b) Proof of notice of meeting (or filing of waiver)
- (c) Reading of minutes of last Annual Meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Miscellaneous business

3.4 SPECIAL MEETINGS Special meetings of the members may be called by the president, or by a majority of the Board of Trustees, and must be called upon the receipt of a written request from a minimum of twenty (20) members. Such written request shall state the purpose or purposes of the proposed meeting. The business transacted at a special meeting shall be confined to the purposes stated in the notice.

3.5 NOTICE

(a) Annual Meetings: Notice of the time and place of the Annual Meeting of members shall be given by delivering personally, or by mailing, a written or printed notice of the same, at least ten (10) days, and not more than fifty (50) days, prior to the meeting.

¹ Web Source of Consumer Price Index: (<http://data.bls.gov/cgi-bin/surveyoost?cu>)

(b) **Special Meetings:** At least ten (10) days and not more than fifty (50) days prior to the meeting, written or printed notice of each special meeting of members, stating the place, day, and hour of such meeting, and the purpose or purposes for which the meeting is called, shall be delivered personally, or mailed.

(c) **Regular Meetings:** Notice of regular meetings other than the Annual Meeting shall be provided at least 48 hours in advance of each meeting. Notice of regular meetings is not required to be personally delivered or mailed, but may be provided by posting meeting information on the Association's website or in a community newsletter, if any, or in any manner that reasonably provides advance notice to members.

3.6 WAIVER OF NOTICE A waiver of any notice required to be given any member, signed by the person or persons entitled to such notice, whether before or after the time stated therein for the meeting, shall be equivalent to the giving of such notice.

3.7 VOTING A member may vote in person or by proxy executed in writing by such member or such member's duly authorized attorney-in fact. No proxy shall be valid after eleven (11) months from the date it is executed. No single member may be designated as proxy for more than five (5) other members for any one community meeting.

3.8 QUORUM One-tenth (1/10) of the members entitled to vote represented at a meeting in person or by proxy shall be necessary and sufficient to constitute a quorum for the transaction of business. The vote of a majority of votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is otherwise required herein.

3.9 RULES OF ORDER. The rules contained in the most recent edition of Robert's Rules of Order, revised, shall govern all meetings of the membership where those rules do not conflict with the Article or the By-Laws.

3.10 BYLAW CHANGE PROCEDURE. Proposed bylaw changes may be submitted in writing, electronically or otherwise, to any Board member by February 1st of that calendar year, and will be placed on the ballot for consideration at that year's Annual meeting. Proposals received after the deadline will be on the following year's ballot. The Board will assist the author of the proposal to seek external review, finalize wording, and solicit pro/con statements as needed. Proposed bylaws changes submitted to any Board member by February 1 should be noted in meeting minutes at a meeting of the Board or the Association, if any, that occurs prior to the Annual meeting. The wording of the proposal(s) and pro/con statements must be finalized and delivered to the Secretary, in writing, in time to be included in the Annual Meeting mailing, per Article 3.5.

ARTICLE IV

MANAGEMENT

4.1 NUMBERS AND POWERS The business and property of Beachcrest Community Association shall be managed by a Board of not less than seven (7) Trustees. In addition to the powers and authorities expressly conferred upon it by these Bylaws and Articles of Incorporation, the Board of Trustees may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the members of the corporation.

4.2 TRUSTEE QUALIFICATIONS Trustees must be Members in good standing of the Beachcrest Community Association.

4.3 ELECTION The Trustees of the corporation shall be elected by a majority vote of the membership of the Association present or represented by proxy at the Annual Meeting of the membership, which shall be held on the date stated in Article III, 3.2.

4.4 TERMS The terms of office of the Trustees of the Association shall be for two (2) years on a staggered term basis. Four (4) members shall be elected in even numbered years, three (3) members shall be elected in odd numbered years.

4.5 MEETINGS The Board of Trustees of the Association shall hold meetings as deemed necessary for the competent management of the affairs of the Association.

4.6 REMUNERATION The Trustees shall receive no compensation for their services, nor shall any officers of the Association receive compensation for their services.

4.7 VOTING AND QUORUM Each member of the Board of Trustees shall possess one (1) vote in matters coming before the Board. All voting at the meetings of the Board of Trustees shall be by each Trustee in person and voting by proxy shall not be permitted. Four (4) Members of the Board of Trustees shall constitute a quorum and a majority vote of a quorum of Board of Trustees present shall constitute official action of the Board.

4.8 REMOVAL

(a) Any Trustee may be removed from office by a two-thirds (2/3) vote of the membership present at any regular or special meeting of the membership of the Association. Notice of the proposed removal of a Trustee shall be given to such Trustee prior to the date of the meeting at which removal is to be voted upon. Such notice to the Trustee shall state the cause for the proposed removal.

(b) Unexcused absences from two (2) consecutive meetings of the Board of Trustees shall constitute due cause for removal of a Trustee.

4.9 VACANCY Any vacancy occurring on the Board of Trustees shall be filled by majority vote of the remaining Trustees. Such appointee shall serve until the next annual meeting, when an election shall take place pursuant to Article IV, 4.2 to fill the unexpired term.

4.10 ELECTION OF OFFICERS Within a reasonable time after their election, the members of the Board of Trustees shall elect from their number the following officers: President, Vice President, Secretary and Treasurer.

4.11 EXPENDITURES Except as provided in Article 4.11.1, all projects involving the expenditure of community funds in excess of \$100.00 must be presented to the Board of Trustees at a monthly board meeting. Under no circumstances will the Board of Trustees authorize payment of any invoice in excess of \$100.00 unless the project has received prior approval or is authorized under Article 4.11.1.

4.11.1 EMERGENCY EXPENDITURES

(a) In case of a county, state, or federally declared disaster that has damaged Beachcrest Association's facilities, the Board member with the most years of active service who is available in the community at the

time of the disaster, and who is acting at the request of at least two Association members, is empowered to authorize expenditures of community funds to save lives, make repairs, and protect property. Funds can be used to pay for services and materials necessary to clear, maintain, or restore essential Association facilities that are blocked, damaged, or destroyed by said disaster.

(b) The authorization in Article 4.11.1 covers expenditures up to a total of \$50,000 without the normally required Board or Community votes of approval, and includes, but is not limited to, the funds on hand. This authority also permits Board members to enter into contracts for future payment and to sign for loans in the name of the Association.

(c) The authorization in Article 4.11.1 extends to the time that conditions have normalized enough to permit the calling of a special community meeting at which a majority of the Board and or community members are available and likely to attend.

(d) Once a quorum of the Board is available, it will, in a timely and diligent manner, apply to all available disaster relief agencies to recover the funds expended. Having exhausted all the external sources and insurance, the Board may vote on a community-wide assessment to recover any remaining costs of the disaster relief and to restore the Association's solvency.

4.12 FINANCIAL REVIEW A financial review of all Beachcrest accounts shall be performed annually. The financial review will be overseen by one (1) of the non-officers of the Board of Trustees, to be selected amongst themselves. The review shall be performed by a qualified accountant who is not an employee of the Community's designated management agent. All receivable accounts, payable accounts, and bank accounts shall be reviewed. A written report shall be presented at the monthly Board Meeting following the financial review. All findings shall be entered into the minutes, becoming part of the permanent record.

4.13 INDEMNIFICATION OF BOARD MEMBERS. Each member of the Board shall be indemnified by the members against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him/her in connection with any proceeding to which he/she may be a party or in which he/she may become involved by reason of his/her being or having been a member of the Board, or any settlement thereof, whether or not he/she is a member of the Board at the time such expenses are incurred, except such cases wherein the member of the Board is adjudged guilty of willful misfeasance in the performance of his/her duties, provided that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

4.14 MANAGEMENT COMPANY. The Board of Trustees may choose to designate a management company for the billing and collection of assessments, disbursements of Association Funds, and the preparation of financial reports. Contracts with the designated management company must be approved by a vote of the Board and include signature authority limits, and guidelines for the disbursement and maintenance of Community Funds.

4.15 APPROVAL OF DISBURSEMENTS. The Board of Trustees will review signature authorities and disbursement guidelines at least annually. Signature authorities must be approved by a vote of the Board of Trustees.

ARTICLE V

DUTIES OF OFFICERS

5.1 PRESIDENT The President of the Board of Trustees shall supervise all activities of the corporation; execute all instruments on behalf of the Association; preside at all meetings of the Board of Trustees and of the membership of the Association; call such meetings of the membership as he/she shall deem necessary other than the Annual Meeting of the membership; and perform such other duties as usually pertain to such office. The President may establish any special committees necessary to help manage the corporation. The chairperson of any said committee shall be a non-voting member of the Board of Trustees.

5.2 VICE-PRESIDENT The Vice-President of the Board of Trustees shall act for the President in his/her absence and perform such other acts as the President may direct.

5.3 SECRETARY It shall be the duty of the Secretary of the Board of Trustees to keep all records of the Board of Trustees and of the Association and to perform such other duties as the President may direct.

5.4 TREASURER The Treasurer shall be accountable for all funds belonging to the Association; serve as the primary contact with the Community's designated management agent, oversee operations of the management agent and present periodic financial reports at meetings of the Board of Trustees.

ARTICLE VI

DEPOSITORIES

The monies of the Association shall be deposited in the name of the Association in such bank or banks or trust company or trust companies as the Board of Trustees shall designate, and shall be drawn from such accounts only by check or other order for payment of money signed by such persons, and in such manner, as may be determined by resolution of the Board of Trustees.

ARTICLE VII

NOTICES

Except as may otherwise be required by law, any notice to any member or Trustee may be delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last-known address in the records of the Association, postage prepaid.

ARTICLE VIII

BOOKS AND RECORDS

The Association, or its designated agent, shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its Board of Trustees; and shall keep at its registered office or principal place of business, or at the office of its designated agent or registrar, a record of its Trustees, giving the names and addresses of all Trustees.

ARTICLE IX.

ASSESSMENTS

9.1 The members of the Association shall be liable for the payment of such charges or assessments as may from time to time be fixed and levied by the membership for the repair, operation and maintenance of the commonly held properties. The amount of such charges and assessments shall be levied at a uniform rate per building site without distinction or preference of any kind. All charges or assessments, when collected by the Association, shall remain the property of the Association until such time as they are expended pursuant to these Bylaws.

9.2 All charges and assessments shall be payable within thirty (30) days after mailing notice of such assessment to the members. If unpaid, the amount of such assessment, plus interest at 12 percent (12%) per annum, but not less than seventy-five (75) cents per billing cycle, together with costs and reasonable attorney fees incurred in enforcing payment, shall be a lien upon the lot against which said assessment was made. Such lien may be foreclosed in the same manner as real property mortgages, provided however that no proceedings shall be commenced before the expiration of four (4) months after the date of mailing of notice of assessment.

9.3 First-mortgage liens upon any of said lots which are duly recorded shall be superior to the lien imposed hereunder from the date of such recording.

9.4 For the purposes of assessments, each lot, as recognized by the Thurston County Auditor's Office, shall constitute an assessable lot. However, members may declare, in a manner adopted by the Board, their contiguous lots to be a single building site. Single building sites shall be assessed as a single lot. Contiguous lots are those lots that share a common boundary line. Lots which are joined by a septic or utility line which do not share a common boundary line shall not constitute a single building site, unless one lot is declared an unbuildable lot because of the septic connection. In the event that a member develops or sells a lot which has been declared to be contiguous, all assessments which have been deferred upon the member's declaration as a single building site shall become due and owing at the time of conveyance or development. Nothing, however, shall preclude a new purchaser from making the same declaration of a single building site.

ARTICLE X

AMENDMENTS

10.1 These Bylaws may be amended, altered or repealed at any Annual Meeting by a majority vote of the members present or represented by proxy.

10.2 The foregoing Bylaws, as amended, were duly approved and adopted by the Members of the Beachcrest Community Association and its Board of Trustees at the Annual Meeting held on May 2nd, 2012, and shall supersede all previous versions of the Bylaws of the Beachcrest Community Association.

Paul Wagner, President

Attest:

Jennifer Motley, Secretary