

BYLAWS OF
THE EAGLE CREST HOMEOWNERS ASSOCIATION

An Unincorporated Association

ARTICLE I

Definitions

Section 1-- "Association" shall mean and refer to the Eagle Crest Homeowners Association, an unincorporated association its successors and assigns, each member of which is an owner of residential real property located within the association's jurisdiction, as described in the governing documents, and by virtue of membership or ownership of property is obligated to pay real property taxes, insurance premiums, maintenance costs, or for improvement of real property other than that which is owned by the member. "Homeowners association" does not mean an association created under chapter 64.32 or 64.34 RCW.

Section 2-- "Governing documents" means the by-laws, plat, declaration of covenants, conditions and restrictions, rules and regulations of the association or other written instrument by which the association has the authority to exercise any of the powers provided for in Chapter 64.38 RCW or to manage, maintain, or otherwise affect the property under its jurisdiction. Chapter 64.38 RCW is included in the Association's governing documents by reference. A copy of the RCW may be obtained from the State of Washington Code Reviser's Office at the State Capitol or on line at the RCW website.

Section 3-- "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 4-- "Properties" shall mean and refer to that certain real property herein before described and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5-- "Residential real property" means any real property, the use of which is limited by law, covenant or otherwise to primarily residential or recreational purposes.

Section 6-- "Common Area" shall mean all real property (including the improvements thereto) owned by the Association for the common use and enjoyment of the Owners.

Section 7-- "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 8-- "Vote" Means the formal indication of a choice relating to the business of the Association each Lot within the Association is allocated one vote.

Section 9-- "Covenants" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions of the Association.

Section 10-- "Board of Directors" or "Board" means the body, regardless of name, with primary authority to manage the affairs of the association.

Section 11-- "Common expense" means the costs incurred by the association to exercise any of the powers provided for in the governing documents.

Section 12-- "Board Member" means the President, Vice-President and the Association members elected by the members to represent them.

Section 13-- "Officer" means the elected Association Secretary and Treasurer.

Section 14-- "Eligible Member" means a Lot owner that is in compliance with the Association's governing documents.

ARTICLE II

Meetings of Members

Section 1-- There shall be two (2) regular yearly meetings of the members of the Association which shall be held in January and July at the place designated and announced by the Board of Directors. Notice of these meetings will be made in compliance with Chapter 64.38.035 RCW.

Section 2-- Special meetings of the members may be called by the President, the Secretary, the Treasurer or any two (2) members of the Board of Directors. Special

meetings can be called at the written request of members with that request possessing signatures of ten (10) percent of the Association eligible membership. Special meetings called by membership request will be chaired by the President of the Association or the Board of Directors' designated representative.

Section 3-- Each member of the Association will be given not less than fourteen (14) days and not more than sixty (60) days notice of all regular and special meetings.

Section 4-- An eligible member may vote in person or by proxy. Proxies shall be executed in writing by the granting member and, must be on file with the Association Secretary or be presented at the time of voting. Proxies on file with the Association Secretary will remain in effect until repealed in writing by the grantor. (A proxy form may be obtained from the Association Secretary).

Section 5-- Subject to any special quorum requirements otherwise set forth in the Covenants the quorum required to validate action taken at any membership meeting shall be a simple majority of the eligible members in attendance to include any proxies filed.

ARTICLE III

Board of Directors Composition, Terms of Office and Compensation

Section 1-- The Board shall consist of a President, Vice President, and three (3) members at large. The Board shall be elected by the eligible members of the Association. Board members must be eligible members of the Eagle Crest HOA.

Section 2-- The President and Vice-president's terms will be one year from the date of election. Each elected member at large will serve a three year term; the three year terms will be staggered to facilitate continuity of experience on the Board of Directors.

Section 3-- Directors and officers shall not receive compensation for any service rendered to the Association. However, any Director or officer may be reimbursed for their actual expenses incurred in the performance of their duties. Procedures for reimbursement are contained in the Board of Directors' administrative procedures on

file with the Association Secretary.

ARTICLE IV

Election of Association Board of Directors and Officers

The Association shall be managed by a Board of Directors. The election of the Association President, vice-president, members at large, Treasurer and Secretary will be elected at the January membership meeting. Nominations will be in accord with Robert's Rules of Order. The election will be by open ballot and be decided by a simple majority of eligible members present and any filed and voted proxies.

ARTICLE V

Board of Directors Meetings

Meetings of the Board of Directors shall be held when called by the President of the Association, the Secretary, the Treasurer, or by any two (2) Board Members after not less than three (3) days notice to each Board Member. The Board of Directors meetings will be open to the Association membership. The Board reserves the right to convene closed, executive sessions to consider personnel matters, consult with legal counsel or consider communications with legal counsel, discuss likely or pending litigation, matters involving possible violations of the governing documents of the Association and matters involving the possible liability of an owner to the Association.

ARTICLE VI

Powers and Duties of Directors and Officers

Section 1-- The provisions of Chapter 64.38 RCW provides the basis of authority and responsibilities of the Board of Directors. The Board of Directors will be guided by administrative procedures that are developed by the Board. Written descriptions of these procedures will be maintained by the Association Secretary and open for review

by the membership.

Section 2-- Powers of the Board of Directors

(a) Adopt and publish rules and regulations governing the use of the Common Area and the facilities located thereon and the personal conduct of the members and their guests thereon.

(b) Suspend the voting rights and the right to use the Common Area of any member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing for a period not to exceed sixty (60) days for infraction of published rules and regulations. Suspensions of rights will be in writing.

(c) Exercise for the Association all powers, duties and authority invested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Covenants, and Chapter 64.38 RCW.

(d) Declare the office of any Director vacant in the event such Director shall be absent without excuse from three (3) consecutive meetings of the Board of Directors.

(e) Employ a manager, independent contractors, or such employees as they may deem necessary, and to prescribe their duties.

(f) Appoint an Architectural Control Committee whose chairperson shall recruit Association members to assist in the committee function and delegate to the said Committee authority to interpret, administer and enforce the Covenants, and adopt reasonable regulations for the Committee. The Committee regulations and procedures will be approved by the Board of Directors and will be on file with the Association Secretary.

(g) Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more owners on matters affecting the homeowners' association. The Board shall not be involved in disputes that are not the responsibility of the association;

Section 3-- Duties of the Board of Directors:

a) Cause to be kept a complete record of all its acts and corporate affairs and to present a financial statement thereof to the members at the January and July meetings of the membership or at any special meeting when such a statement is requested in writing. The written request, in order to be binding on the Board of Directors, must possess signatures of twenty-five (25) percent of the eligible Association members.

(b) Supervise all officers, agents and employees of the Association and to see

that their duties are properly performed.

(c) As more fully provided in the pertinent Covenants, to fix and collect the assessments against each Lot which, under the applicable Covenants, is subject to assessment.

(d) To insure or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) To procure and maintain adequate liability and hazard insurance on property owned by the Association.

(f) To cause all officers and employees be bonded, as it may deem appropriate.

(g) To cause the Common Area and the facilities thereon, and any other property of the Association to be properly maintained, and

(h) To hear and decide appeals from decisions of the Architectural Control Committee pursuant to the applicable Covenants.

Section 4-- Individual Duties of the Board of Directors:

(a) President: The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out, and shall sign all leases, mortgages, deeds and other written instruments.

(b) Vice-President: The Vice-President shall act in the place and stead of the President in the event of absence, inability or refusal to act and, shall be authorized to sign Association checks in the absence of the Treasurer, and shall exercise and discharge such other duties as may be required by the Board of Directors.

(c) "At large" board members: These board members will represent the Association members and assist in the conduct of the Association's business.

Section 5-- Duties of the Officers:

(a) Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the members, serve notice of meetings of the Board of Directors and of the members, keep appropriate, current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

(b) Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as approved by the

Board of Directors, shall issue all checks and promissory notes of the Association, keep proper books of account, cause an annual audit of the Association books to be made at the completion of each fiscal year, and shall prepare a statement of income and expenditures to be presented to the membership at its regular annual meetings, and deliver a copy of each to the members. The annual audit may be waived by a majority vote of eligible members at the January membership meeting. The Treasurer will make recommendations to the Board concerning internal controls for financial management of the Association's assets, to include but not be limited to, the collection of dues and disbursement of cash and the disposition of other assets.

Section 6-- The foregoing enumeration of the powers and duties of the Board of Directors is not exclusive.

Section 7-- Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board of Directors may from time to time, determine.

Section 8-- Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the President, ~~or~~ or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 9-- Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors or elected at any membership meeting. The officer appointed or elected to such vacancy shall serve for the remainder of the term of the officer being replaced.

Section 10-- Multiple Offices. The offices of the Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Article VII.

ARTICLE VII

Committees

The Board of Directors shall appoint an Architectural Control Chairperson as herein provided. In addition, the Board of Directors shall appoint such other committees as it may deem necessary and useful.

ARTICLE VIII

Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Covenants administered by the Association, and the Bylaws of the Association shall be available for inspection by any member at the principal offices of the Association, where copies may be purchased at reasonable cost.

ARTICLE IX

Assessments

As more fully provided in the pertinent Covenants, each member is obligated to pay the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Assessments which are not paid when due shall be defined as delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property. Interest, costs and reasonable attorneys' fees in any such action shall be added to the amount of such assessments. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Area or abandonment of their Lot.

ARTICLE X

Charitable Distributions and Non-discrimination

Section 1-- Subject to applicable law, the funds of the Association may be distributed only for the following purposes:

- (a) Pursuant to the purposes of the Association, and
- (b) To make grants to other corporations, community chests, funds, foundations, trusts, institutions, associations or organizations which are organized exclusively for education, charitable, religious, scientific or literary purposes within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1954, as amended from time to time, and which have received a determination or ruling of exempt status under Section 5021(a) of such code from the Internal Revenue Service.

Section 2-- The Association shall not discriminate in its employment practices or in any other manner on the basis of race, color, religion, gender, sexual orientation, national origin, marital status, age, handicap, political affiliation or belief.

ARTICLE XI

Indemnification

Section 1-- Any person who is or was made a party to, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that they are or were a Director of this Association or is or was serving at the request of this Association as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by them in connection with such action, suit or proceeding, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the Association and, with respect to any criminal action or proceeding, had no reason to believe their conduct was unlawful. In any action or suit by or in the right of this Association to procure a judgment against such a person, no indemnification shall be made in respect of any claim, issue or matter as to which they

shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the Association unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite an adjudication of liability, they are fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper. On request for such person who is made or is threatened to be made a party to any such suit, this Association shall enter into an agreement confirming the foregoing indemnity subject to limitations as provided by law in such instances. The indemnification herein provided for shall continue as to a person who has ceased to be a Director or officer of this Association, shall inure to the benefit of their heirs, executors and administrators, and shall be in addition to the rights of indemnification provided by law.

Section 2-- This Association shall pay expenses incurred defending a civil or criminal action, suit or proceeding against which a person shall be entitled to indemnification under Section 1 of Article VI in advance of a final disposition of such action upon receipt of an undertaking by or on behalf of the person to repay such amount if the person is not entitled to indemnification as provided by law.

Section 3-- This Association may purchase and maintain insurance on behalf of any person who is or was a director, trustee, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against them or incurred by them in any such capacity arising out of their status as such, whether or not the Association has or would have the power to indemnify them against such liability under law.

ARTICLE XII

General Provisions

Section 1-- In the case of any conflict between the applicable RCWs and these Bylaws, the RCWs shall control, and in the case of any conflict between the Covenants and these Bylaws, the Covenants shall control.

Section 2-- The fiscal year of the Association shall begin on the first (1) day of January

and end on the thirty-first (31) day of December.

Section 3-- Severability. Invalidation of any one of these by-laws or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4-- Amendment. The by-laws and restrictions of this Declaration shall run with and bind the Properties, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended at any time by a majority fifty one (51) percent of eligible Owners voting affirmatively on the amendments. The by-laws will be recorded with the Thurston County Auditor by the President of the Association.

IN WITNESS WHEREOF, the undersigned, being the duly elected President of the Eagle Crest Homeowners Association, has hereunto set his/her hand this 3rd day of Dec, 2015.

Richard E. Galt
(Signature)