

**B Y L A W S**  
for  
**EAGLE CREST COMMUNITY ASSOCIATION**

**1. REGISTERED OFFICE:**

The registered office of the corporation in the State of Washington shall be located at such address as may be established by the board of directors from time to time, as it may deem necessary for the proper transaction of corporate business.

**2. PURPOSES:**

The purposes for which the corporation is organized are to preserve the values of properties and the amenities to the properties of the members and the properties contained within the Plat of Eagle Crest, Division 1, a planned residential development in Oak Harbor, Washington. Those purposes include, but are not limited to, the protection and maintenance of open spaces and other common facilities and to carry out all of the rights and responsibilities as are set forth in the Declaration of Covenants, Conditions and Restrictions for EAGLE CREST, DIVISION 1, a Planned Residential Development in Oak Harbor, Washington (which Declaration is hereinafter referred to as "the Declaration").

**3. MEMBERSHIP:**

3.1. The membership of this corporation shall consist of and be limited to the incorporator and the owners and purchasers of property as set forth in the Declaration.

3.2. Membership shall be inseparably appurtenant to the tracts owned or being purchased by the members, and upon the transfer of ownership or

the making of a contract for the sale of any such tract, the membership appurtenant thereto shall be deemed to be transferred to the contract purchaser or grantee, and said ownership is not subject to the approval of the board of directors, or of other members of said association. No membership may be conveyed or transferred in any other way. In the event of the death of a member, his membership shall pass in the same manner and to the same person as does the real property itself.

- 3.3. No member may withdraw except upon the transfer of title to, or upon contracting for the sale of, the tract to which his membership is appurtenant. No compensation shall be paid by the corporation upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the corporation.

#### 4. MEETINGS:

- 4.1. Annual Meeting. The annual meeting of the members shall be held in the first quarter of each fiscal year at such location as the board may select for the purpose of electing directors and transacting such other business as may come before the meeting, as provided for in the Declaration. If the election of directors is not held on the day designated for the annual meeting of the members, or at any adjournment thereof, the election shall be held at a special meeting of the members called as soon thereafter as practicable.

- 4.2. Annual Meeting - Order of Business. At the annual meeting of the membership, the order of business shall be as follows:

- 4.2.1. Calling of the meeting to order.
- 4.2.2. Proof of notice of meeting (or filing waiver).
- 4.2.3. Reading of minutes of last annual meeting.
- 4.2.4. Report of officers.
- 4.2.5. Reports of committees.

- 4.2.6. Election of directors.
- 4.2.7. Miscellaneous business.
- 4.3. Special Meetings. The president or the board may call special meetings of the members for any purpose. At the request of the members having at least 40% of the votes entitled to be cast at a meeting of the membership, the president shall call a special meeting of the members.
- 4.4. Place of Meeting: All meetings shall be held at place within Island County, Washington designated by the board.
- 4.5. Notice of Meeting: The president or board when calling an annual or special meeting of members shall cause to be delivered to each member entitled to vote at the meeting, either personally or by mail, not less than ten (10) nor more than thirty (30) days before the meeting, written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.
- 4.6. Action by Members Without a Meeting: Any action required or permitted to be taken at a members' meeting may be taken without a meeting if a written consent setting forth the action so taken is signed by all members entitled to vote with respect to the subject matter thereof. Any such consent shall be inserted in the minute book as if it were the minutes of a membership meeting.
- 4.7. Quorum: At any meeting of the membership of the corporation, those members present in person or by proxy shall constitute a quorum; provided, however, that the actions authorized under Article 5 of the Declaration shall be governed by the terms of the Declaration.
- 4.8. Proxies: At all membership meetings, a member may vote by proxy executed in writing by the member or by his attorney in fact. Such proxy shall be filed with the secretary of the corporation before or at the time of the meeting. Unless otherwise provided in the proxy, a proxy shall be invalid after eleven (11) months from the date of its execution.

4.9. Voting: Voting-rights are held pursuant to Article 3 of the Declaration.

5. **BOARD OF DIRECTORS:**

5.1. General Powers: The business and affairs of the corporation shall be managed by the board.

5.2. Number, Tenure and Qualifications: At the expiration of Declarant's management authority, as set forth in the Declaration, the board shall be composed of five (5) directors.

5.3. Regular Meetings: A regular board meeting shall be held without notice immediately after and at the same place as the annual meeting of the membership. By resolution, the board may provide the time and place within Island County, Washington for holding additional regular meetings without other notice than such resolution.

5.4. Special Meetings: Special board meetings may be called by or at the request of the president or any two directors. The person or person authorized to call special meetings may fix any place within Island County, Washington as the place for holding any special board meeting called by them.

5.5. Notice: Written notice of each special board meeting shall be delivered personally, telegraphed or mailed to each director at his business address at least five (5) days before the meeting. If such notice is mailed, it shall be deemed to be delivered when deposited in the United States mail properly addressed, with postage prepaid. If the notice is telegraphed, it shall be deemed to be delivered when the content of the telegram is delivered to the telegraph company. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of,

any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting.

- 5.6. Quorum: A majority of the directors shall constitute a quorum for the transaction of business at any board meeting, but, if less than such majority be present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.
- 5.7. Manner of Acting: The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board.
- 5.8. Vacancies: Any vacancy occurring on the board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the board. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.
- 5.9. Removal: At a meeting of the membership called expressly for that purpose, one or more members of the board (including the entire board) may be removed, with or without cause, by a vote of the members then entitled to vote on election of directors.
- 5.10. Compensation: By board resolution, directors may be paid their expenses, if any, of attendance at each board meeting.
- 5.11. Presumption of Assent: A director of the corporation present at a board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting or unless he files his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or unless he forwards such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. A director who voted in favor of such action may not dissent.
- 5.12. Action by Directors Without a Meeting: Any action required or permitted to be taken at a meeting of the board may be taken without a meeting if a written consent setting forth the action to be taken is signed

by each of the directors. Any such written consent shall be inserted in the minute book as if it were the minutes of the board meeting.

- 5.13. Election of Officers: At the meeting of the board immediately following the annual membership meeting, the board shall elect the officers of the corporation. All such officers must be members of the corporation. The president of the corporation shall be the chairman of the board of directors.

6. **OFFICERS:**

- 6.1. Number: The officers of the corporation shall be a president, one or more vice presidents, a secretary and a treasurer, each of whom shall be elected by the board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the board. Any two or more offices may be held by the same person, except the offices of president and secretary.
- 6.2. Election and Term of Office: The officers of the corporation shall be elected annually by the board at the board meeting held after the annual meeting of the members. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as a board meeting conveniently may be held. Each officer shall hold office until the next annual meeting and until his successor shall have been elected and qualified unless he resigns or is removed.
- 6.3. Removal: Any officer or agent elected or appointed by the board may be removed by the board whenever, in its judgment, the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.
- 6.4. Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board for the unexpired portion of the term.

- 6.5. President: The president shall be the principal executive officer of the corporation and, subject to the board's control, shall supervise and control all of the business and affairs of the corporation. When present, he shall preside over all membership meetings and over all board meetings. With the secretary or other officer of the corporation authorized by the board, he may sign certificates for membership in the corporation, deeds, mortgages, bonds, contracts, or other instruments that the board has authorized to be executed, except when the signing and execution thereof has been expressly delegated by the board or by these bylaws to some other officer or agent of the corporation or is required by law to be otherwise signed or executed by some other officer or in some other manner. In general, he shall perform all duties incident to the office of the president and such other duties as may be prescribed by the board from time to time.
- 6.6. Vice President: In the absence of the president or in the event of his death, inability or refusal to act, the vice president shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Vice presidents shall perform such other duties as from time to time may be assigned to them by the president or by the board.
- 6.7. Secretary: The secretary shall (a) keep the minutes of the membership and board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws, or as required by law; (c) keep the corporate records; (d) keep a register of the post office address of each member as furnished to the secretary by each member; and, (e) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board.
- 6.8. Treasurer: If required by the board, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or



sureties as the board shall determine. He shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of these bylaws and in general perform all of the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the president or by the board.

- 6.9. Other Officers: In addition to the foregoing officers, the board of directors may, from time to time, elect such other officers as they may see fit, with such duties as the board may deem proper.

## 7. **CONTRACTS, LOANS, CHECKS AND DEPOSITS**

- 7.1. Contracts: The board may authorize any officer or officers, agent or agents, 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.
- 7.2. Loans: No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.
- 7.3. Loans to Officers and Directors: No loans shall be made by the corporation to its officers or directors, unless first approved by two-thirds of the members.
- 7.4. Checks, Drafts, Etc.: All checks, drafts or other 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 is from time to time determined by resolution of the board.



7.5. Deposits: All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, savings and loan associations or other depositories as the board may select.

8. **FISCAL YEAR:**

The fiscal year of the corporation shall begin on the first day of January and terminate on the last day of December of each year.

9. **SEAL:**

If the directors elect to have a corporate seal, the seal of the corporation shall consist of the name of the corporation, the state of its incorporation and the year of its incorporation.

10. **WAIVER OF NOTICE:**

Whenever any notice is required to be given to any member or director of the corporation under the provisions of these bylaws or under the provisions of the articles of incorporation or under the provisions of the Washington Non-Profit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

11. **INDEMNIFICATION:**

11.1. To the fullest extent permitted by Washington law, as it now exists or may hereafter be amended, a director of this corporation shall not be personally liable to the corporation or its members for monetary damages for conduct as a director, except for liability of the director for acts or omissions that involve:

- 11.1.1. intentional misconduct by the director;
- 11.1.2. a knowing violation of law by the director;
- 11.1.3. intentionally wrongfully distributing corporate assets;

11.1.4. any transaction from which the director will personally receive a benefit of money, property or services to which the director is not legally entitled.

11.2. Any amendment or repeal of this article shall not adversely affect the right or protection of a director or the corporation existing at the time of such amendment or repeal.

12. **ASSESSMENTS:**

12.1. For the purposes of financing the activities of the corporation, it is hereby declared that all the tracts within the jurisdiction of the corporation, such assessments as are provided for in the Declaration.

13. **AMENDMENTS:**

13.1. General Amendments: These bylaws may be amended by the board of directors at any annual meeting or at any special meeting properly called for that purpose, at which a quorum is present, by the affirmative vote of a majority of the directors present; subject to the power of the members to repeal such amendments.

13.2. Qualifications: The board of directors shall not make or repeal such bylaws fixing their qualifications without the consent of the majority of the members present at any annual or special meeting properly called for that purpose.

The within and foregoing bylaws of aaa were duly adopted by the board of directors on the 10 day of April, 1993.

  
ROBERT P. FAKKEMA, Chairman

ATTESTED TO:

  
SUSAN M. FAKKEMA, Secretary