

**BY-LAWS**  
**OF**  
**SHORECREST**  
**BEACH**  
**CLUB**

**2016**

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# ARTICLE I

## GENERAL PROVISIONS

- A. Name:** The name of the Association is Shorecrest Beach Club Inc.
- B. Jurisdiction:** This Association has jurisdiction over all land within the Shorecrest development (“Shorecrest Beach Club”), legally described as:  
**Shorecrest Addition Replat 1<sup>st</sup>, Shorecrest Addition Replat 2<sup>nd</sup>,  
Shorecrest Terrace 1<sup>st</sup> Addition, Shorecrest Terrace 2<sup>nd</sup> Addition, Shorecrest Terrace 3<sup>rd</sup> Addition, Shorecrest Terrace 4<sup>th</sup> Addition, Shorecrest Beach Estates 1<sup>st</sup> Addition, Shorecrest Beach Estates 2<sup>nd</sup> Addition, and all Government Lots in the records of Mason County, Washington**  
as well as all activities therein related to the purpose of the Association. The jurisdiction of the Association may be expanded by the affirmative vote of the general membership voting in person or by mail at a meeting with a quorum.
- C. Purpose:** The purpose for which this Association is founded are as set forth in the Articles of Incorporation of Shorecrest Beach Club, including to support the development, improvement, maintenance and protection of the Shorecrest lots, and other real property within the development, and the peace, health, comfort, safety and general welfare of Shorecrest members; and to exercise any or all powers of non-profit associations and homeowners’ associations pursuant to the laws of the State of Washington, including **RCW 24.03 and RCW 64.38**, or as amended.
- D. Common Areas:** The ownership of the common areas in Shorecrest is vested in the Association. Such common areas are for the exclusive use and enjoyment of members in good standing, their families and their guests; tenants. The Association, through its Board of Directors, may create reasonable rules & regulations for the use of its common areas and for the conduct of members, their family members, guests, and tenants; and others with respect thereto, as well as with respect to the entire Shorecrest development. The Association is responsible for paying taxes and assessments on the common areas, and to operate and maintain the same, and pay the costs associated therewith. The Association may also own any other property, real or personal.
- E. Authorities:** This Association is subject to the applicable recorded Protective Covenants of Shorecrest Beach Club, as well as any other applicable recorded documents; its Articles of Incorporation; the By-laws; other Association governing documents; other rules & regulations of the Association; the law of the State of Washington regarding equitable covenants; **RCW 24.03**, the Non-profit Corporation Act, or its successor; **RCW 64.38**, the Homeowners’ Association Act, or its successor; and other laws of the State of Washington, and of the United States.
- F. Definitions:** As used in these By-laws, the following have the specified meanings:

1. **Common Areas:** These include property owned by the Association, such as parks, green belts, the community pool and related facilities, and any other property currently owned by the Association, as well as any property later acquired by the Association.
2. **Family Members:** For the purpose of these By-laws, these include the spouses of members, and their dependents who live with them.
3. **Guests:** Guests are those whom a member invites to use the member's property. Tenants are not guests. Family members other than those defined above may be guests, depending on the circumstances.
4. **Member:** A member is the owner or contract purchaser of a Shorecrest lot. Any person may hold only one membership in the Association regardless of the number of lots owned. Shorecrest Beach Club itself is not considered a member with respect to any lots it owns, for the purpose of these By-laws; provided, that it shall comply with all applicable property conditions and conduct provisions of these By-laws and Association rules & regulations.
5. **Member in Good Standing:** These are members with no current substantial

Protective Covenant or other rule violations; and those who are no more than forty-five (45) days delinquent in the payment of any amount due to the Association, unless a repayment agreement has been reached and is complied with. Members shall lose their status as members in good standing after notification has been made and an opportunity to be heard at a Board of Directors meeting; or they are more than forty five (45) days delinquent in their payments, unless a repayment agreement has been reached, and is complied, **Refer to Article VIII.**

6. **Tenants:** Tenants (renters) are those who compensate a member in some way for the right to live on or use a Shorecrest lot.
7. **Lot:** A lot is a parcel of land within the jurisdiction of the Association, as shown on the original Association plat.
8. **Landlord:** Landlords (member) are responsible to provide tenants with the Association requirements.

# ARTICLE II

## MEMBERSHIP

**A. General:** Although the Board of Directors acts in most instances on behalf of the Association, the primary authority of Shorecrest Beach Club rests with its members. Members are the legal owners or contract purchasers of lots within the jurisdiction of Shorecrest Beach Club. Members elect directors to the Board of Directors, approve or disapprove the annual budget and further financial proposals, and vote on initiatives or referenda. Members are responsible for complying with all Association requirements, including paying in a timely manner all assessments due to the Association and respecting the covenants and other applicable rules. Membership is appurtenant to ownership of each lot in Shorecrest Beach Club. No member may withdraw except by transfer of ownership.

Each member in good standing has the right to use Association property and facilities, and to allow guests, family members and tenants to do so as well, pursuant to Shorecrest Beach Club's rules & regulations. Each is personally responsible for any damages caused to Shorecrest Beach Club property by him or herself, and any such guests, family members and tenants. Each member in good standing also has the right to participate in Association activities, to serve on the Association Board of Directors and its committees, and to vote.

Failure to comply with Shorecrest Beach Club's covenants and other rules, including the obligation to pay assessments will result in loss of status as a member in good standing, as set forth in **Article I (F)(5)** above, and therefore loss of the rights to use such property and facilities. Members have the right to appeal any decisions adversely affecting the member or the member's status to the Hearing Committee (see **Article VI**) or to the Board of Directors. Such appeals shall be handled according to the same process as for Petitions described below.

**B. Voting Rights:** Members in good standing may vote at any membership meeting either in person or by mail. If two or more persons hold any tract or tracts, the several owners of such interests shall be entitled collectively to cast one vote. Collective owners of such lot must submit a statement of representation to the Shorecrest Beach Club office no less than one (1) week prior to any membership meeting that designates which owner will be authorized to vote on behalf of the collective owners. This document must be signed and dated by each owner of said tract or tracts.

**C. Petition Rights:** Any member who in good faith believes that the association has acted in any way contrary to the provisions of these By-laws or any other association rules or requirements, including by taking any action involving that member individually or any action affecting the entire membership, may petition the Board of Directors in writing to consider the matter. It is not necessary to be in good standing to Petition the

Association. The petition shall state the rule or requirement at issue, the specific factual allegations made, and the identity and contact information for any witnesses. It shall also include copies of all evidence, where reasonably possible. The Board of Directors shall establish a date and time for a hearing on the petition within forty-five (45) days of receipt where the member can meet with the board regarding the petition. The hearing will be considered a special board meeting as described in **Article IV (F)**. The member shall have the option to request a closed hearing (session within the board meeting) and to bring other witnesses or support into the closed session at their discretion. The board will respond to the member in writing within forty-five (45) days following the hearing stating any resolutions taken or not and their reasons supporting that response.

**D. Meetings:**

- 1. Annual Membership Meeting:** There shall be a general annual membership meeting of the Association in April of each year.
- 2. Special Membership Meetings:** Special meetings of the membership may be called by the President of the Board of Directors, a majority of the Board of Directors or by members having ten (10) percent of the total votes of the Association.
- 3. Notice:** Notice shall be given not less than fourteen (14) days and not more than sixty (60) days prior to the meeting. The written notice to each owner of record shall state the time, place and agenda of the meeting by; hand-delivery to the mailing address of the owner or other address designated in writing by the owner; prepaid first class United States mail to the mailing address of the owner or any other address designated in writing by the owner; or electronic transmission to an address, location, or system designated in writing by the owner.
- 4. Place:** Membership meetings shall be held at a location in the vicinity of Shorecrest as may be designated by the Board.
- 5. Agenda:** The notice of any membership meeting shall include the agenda for the meeting, as set by the Board of Directors, or by the members requesting the special membership meeting. The agenda for membership meetings may include elections and approval of a budget and/or other financial proposals. The agenda may also include referenda, which are issues submitted to the general membership by the Board of Directors, either for binding vote, or guidance; and initiatives, which are issues submitted by the signatures of members in good standing representing ten (10) percent of the total votes of the Association. No initiative proposal adopted by the members may interfere with the contract rights of any third parties, as reasonably determined by the Board of Directors. The agenda must also include provisions for discussion of particular issues. The Board of Directors will develop a process for members' issues to be included in the agenda.

At the annual membership meeting, the officers and committee chairpersons shall provide summary reports of operations of the preceding year, and plans for

the upcoming year, as well as long-range plans, which shall also be included in the agenda.

In order to be fair to members unable to attend, neither the agenda nor any items on it will be amended. The agenda for annual membership meetings must include a provision for open discussion of member issues.

**6. Quorum:** A quorum for the transaction of business at any general membership meeting shall be ten (10) percent of the total members in good standing.

**7. Ballots:** A member may cast his or her vote in person or by mail in. Ballots will be returned to the Association office, where they will be immediately placed, unopened, within a locked ballot box until the votes are to be counted at the membership meeting. Ballots may also be submitted directly to the ballot box during the membership meeting prior to the vote count. The Board of Directors will provide procedures and tools for counting the ballots (see **Ballot Processing Procedures** below). The Office Manager will prepare a list of all members in good standing the day before any membership meeting to be used to verify the Ballots (including a list of designated voters for lots with multiple owners.) Ballots will be counted by at least three (3) but not more than five (5) volunteers who are not Board members and must be members in good standing. If more than five (5) people volunteer to count votes, the counters will be selected by a floor vote of the membership. The Volunteers will designate one (1) of them as the overseer who reports the results. Volunteers will sign a non-disclosure agreement for their use of the list of members in good standing. The envelopes, count and member verification must be conducted in private.

### **Ballot Processing Procedures**

- a. When a ballot is received in the mail it will be date stamped on the outside envelope and placed in the ballot box.
- b. One day a week the ballot box will be opened and the outside envelope will be opened to remove verification envelope. (Thursday)
- c. Outside envelopes will be rubber banded and stored in a secure place.
- d. Verification envelopes will be counted and listed on the ballot sheet. They will be checked for member's status and initialed by the office manager that they were checked.
- e. Ballot envelopes will be banded together after verification and returned to locked ballot box. Unverified ballots will not be opened, but kept separate. This will be done once a week (Thursday)
- f. Saturday the ballots will be opened with four (4) people present, (one being the office manager) and votes will be recorded.
- g. At the meeting, any in-person ballots that are cast will be verified and counted

in the same way.

- h. Total ballots must match the check-in list for envelopes received. If any ballot is received loose in the verification envelope it will be placed in a ballot envelope and put in the ballot box with all the others. If, when the ballot envelopes are opened (after they are removed from the verification envelope) and no ballot is inside it will be listed on the form as an empty envelope.
  - i. After the polls are closed at the meeting the four (4) people counting ballots will go to a secure place and count the votes. The Office Manager will be one and 3 other people appointed by the board.
  - j. Only RED pens will be used when counting and initialing the ballot envelopes.
  - k. Ballot envelopes will be banded with a batch number and count and initialed by two people and dated.
- 8. Majority:** Actions of the membership shall be taken by a majority vote of the members in good standing, voting at a meeting with a quorum as defined under **Article II (D)(6)**. The majority is measured against the number of votes cast, not the total number of eligible votes in the membership. (*Example: received eighty 80 ballots, majority would be forty-one 41*).
- 9. Procedures:** The Board of Directors shall establish procedures for initiatives, referenda, and membership meetings that are reasonable and fair, including additional procedures to ensure the accuracy of voting as deemed appropriate.



# ARTICLE III

## BOARD OF DIRECTORS

### POWERS AND DUTIES

**A. Responsibilities:** The Board of Directors is responsible for acting in all instances on behalf of the Association. It conducts, manages, and controls the affairs and business of the Association, and exercises ownership authority and responsibility over all of the common properties of the Association.

The responsibilities of the Members of the Board of Directors are to follow federal, state, and local laws and Shorecrest Beach Club governing documents and rules & regulations. In their individual and collective judgments, they must best serve the purposes of the Association and be fair and reasonable to the membership.

**B. Communication & Membership Participation:** The Board of Directors shall keep the membership informed of current and prospective issues, including but not limited to the following: audits, financial condition, lawsuits, budget development, vacancies on the Board. The Board of Directors must define the issues and take steps to educate and inform the membership about the issues. Such communication should be done through newsletters, website postings, reader board postings and town meetings when appropriate. Opinions of the members shall be taken into consideration when evaluating all issues.

**C. Rules & Regulations:** The Board of Directors shall, when necessary and appropriate, develop and adopt rules & regulations to support the purposes of the Association, and to provide procedures for its operation. When an issue has the potential to involve a substantial number of the members, the Board shall consider adopting a formal resolution to address the circumstances and concerns, the process of investigation into a systematic response, the resulting findings, and the system to be used to respond to such issues.

In particular, the Board shall when necessary develop and adopt rules & regulations, and where necessary, Resolutions, about the following: community property condition and conduct standards for all lots; a system for correction of community property condition and conduct violations, including discussions, negotiations, and if necessary, fines and hearing rights; limitations on uses of lots to purposes associated with single-family residences, and a definition of those uses.

**D. Records:** The Board of Directors is responsible for keeping records of the following:

1. Articles of Incorporation;
2. By-laws;
3. Resolutions;
4. Rules & Regulations and other governing documents;

5. List of members, including names and addresses;
6. True statement of the financial status, which includes an Income & Expense Statement of the Association on a monthly basis;
7. List of officers' and directors' names and addresses;
8. Written and recorded minutes of the Board, membership, and committees' meetings (if required).

The Board shall keep records of matters having to do with individual members and lots, for at least seven (7) years. All other records shall be kept according to the current requirements of the Federal IRS regulations. The financial records and supporting documents of the Association can be inspected and copied by any members and their authorized agent(s). The only exception is for records arising out of any matters involving personnel, consultation or communications with legal counsel, likely or pending litigation, possible violations of the governing documents, or involving the possible liability of a member to the Association. The Association may impose reasonable charges for the inspection and/or copying of the records when the request is excessive and time consuming. The Association shall not release any email addresses or unlisted telephone numbers of members without authorization. **(RCW 64.38)**

**E. Private Matters:** The Board shall not take action on behalf of owners involved in disputes that are not the responsibility of the association.

**F. Meetings with Attorney:** Meetings with the attorney are considered closed meetings. At the next monthly board meeting the President shall report on the purpose of the meeting.

# ARTICLE IV

## BOARD OF DIRECTORS

### GENERAL INFORMATION

- A. Number:** There shall be seven (7) members of the Board of Directors.
- B. Qualification:** Any member in good standing is qualified to serve as a Director as long as they have no lawsuits pending involving the association. Eligibility of a member formerly convicted of a felony or an ethics violation, is at the discretion of the board. Potential directors must submit to a background check prior to being placed on the ballot. No more than one member of a household, defined as either spouses, or parents and children living together, may serve as trustee at any one time<sup>1</sup> No board member can serve on the Shorecrest Beach Club Board and the Shorecrest Estates Water Board at the same time.<sup>2</sup>
1. **Amendment to B. Qualification** approved by the Membership June 12, 2004
2. **Amendment to B. Qualification** approved by the Membership April 18, 20015
- C. Terms of Office:** Each Director shall serve a term of three (3) years. Each Director is assigned a position number (position numbers one to seven (1 - 7)) with an expiration date at the annual membership meeting.
- D. Removal:** A Director may be removed with or without cause by a majority vote of the members in good standing voting at a meeting with a quorum, upon proper submission of a member initiative or Board of Directors referendum. A Director may also be removed by resignation or disqualification. A Director shall become disqualified if he or she is no longer a member, or a member in good standing; or misses three consecutive Board meetings, with or without cause unless excused for good reason by the Board. **(RCW 24.03 and RCW 64.38)**
- E. Vacancies:** If a Director is removed, becomes disqualified, or resigns, the Board of Directors shall appoint a successor within a reasonable period of time. The successor shall fill the remainder of the former Director's term.
- F. Meetings:**
1. **Where and When:** The Board of Directors shall meet monthly at the Shorecrest Clubhouse.
  2. **Notice:** Notice of regular director meetings shall be given by general reference in mailings to the membership, or by electronic communication, posting on the reader board, and posting at the office and clubhouse. Special board meetings can be called by the President should he or she feel a need has arisen. Notice of special Board of Directors meetings shall also be given to the general members at least twenty-four (24) hours prior to the meeting by posting notice at the Association office, clubhouse and reader board.

3. **Quorum:** A majority of the Board of Directors must be present at the board meetings in order to transact business.
4. **Majority:** A majority vote of the Directors at a meeting at which a quorum is present is sufficient to transact the business of the Board of Directors. (Example: If the board consists of seven (7) directors then four (4) are needed in order to conduct business).
5. **Procedures:** The Board of Directors shall develop procedures for its operation that are fair and reasonable under all circumstances.
6. **Distance Meeting:** Any meeting of the Board of Directors may be conducted by telephone conference call or similar communications medium, whereby all directors participating are in voice or electronic contact with each other in which everyone can be clearly understood throughout the meeting, subject to all other meeting requirements as set forth herein.
7. **Voting:** All votes taken will be in the Board meeting either by being physically present or by communications medium, whereby all directors participating are in voice or electronic contact with each other. No director may vote by proxy.

**G. Delegation of Powers:** The Board of Directors may delegate such powers with respect to management of the Association, as it deems appropriate, subject to state law and the governing documents and rules & regulations of the Association.

**H. General or Special Budget for income, expenses and reserves:** The Board of Directors shall adopt an annual budget for assessment and other income, expenses and reserves, as well as special or amended budgets for the same, when needed. Any such budget shall be submitted to the membership as provided by Washington State law (**RCW 64.38**). Consideration by the membership may take place at the Association's annual general or budget meeting, or at any special membership meeting. If at any time state law no longer specifies the procedure for adoption of budgets, any general, special or amended budget adopted by the Board of Directors for assessment and other income, as well as expenses and or reserves, shall be submitted to the membership for its approval or rejection pursuant to the most recent applicable state law, until these By-laws are or may be amended to provide otherwise.

**I. Budget Reports.** The Board of Directors will make available to the member's budget reports, specifying performance in light of the budget. At each monthly Board Meeting the Directors will be provided with a detailed profit and loss statement and income statement.

# ARTICLE V

## OFFICERS

- A. Election:** At the next board meeting the Board of Directors will go into Closed Session to elect the President, Vice President, Secretary, and Treasurer for the next year.
- B. Removal:** Any Officer may be removed from his/her position with cause. Upon removal of the Officer, the Board of Directors shall elect a new officer at the next monthly board meeting.
- C. President and Vice President:** The president shall preside at all meetings of the Directors and members, and shall sign as President on all agreements, contracts and instruments authorized by the Board of Directors and shall be its chief executive officer. The Vice President shall perform the duties of the President when the President is unavailable.
- D. Secretary:** The Secretary shall be responsible for all meeting notices and the minutes of all meetings of the membership and of the Board of Directors and shall have charge of all of the Association legal records and papers. In addition, the Secretary is responsible for keeping a chronological record of all the governing documents, amendments, rules & regulations, resolutions, policies and procedures, correspondence and all other business documents.
- E. Treasurer:** The Treasurer shall be responsible for keeping safely all money, financial accounts of the Association, and for preparing and keeping a complete accounting of the financial records of the Association for presentation to the members and to the directors at the monthly meetings. In addition, the Treasurer is responsible for presenting the annual and/or supplemental budgets developed by the Board of Directors for approval prior to mailing the same to the membership for the Annual membership meeting.
- F. Execution of Documents:** The President, or the Vice President, shall sign and execute all contracts, conveyances, notes, security agreements and other documents on behalf of the corporation. The same shall also be signed and executed by the Secretary, or in absence of the Secretary, the Treasurer. Checks, drafts, and other negotiable instruments shall be signed by any two officers. All the officers are responsible for preparing, executing certifying and recording Association governing documents, rules & regulations, and amendments thereto, upon an affirmative vote by the board of directors. In addition, the Secretary is responsible for keeping a chronological record of all the governing documents and amendments.
- G. Employees and Agents:** After an affirmative vote by the Board of Directors, they may appoint, engage and/or employ employees, contractors, agents and volunteers.

**ARTICLE VI**  
**COMMITTEES**  
**GENERAL PROVISIONS APPLICABLE**  
**TO ALL COMMITTEES**

- A. Committee Creation:** By Resolution, the Board of Directors has created the following committees: Architectural Committee (Board Committee); Hearing Committee (Board Committee); By-laws Committee (Member Committee); Communications Committee (Member Committee); Activities Committee (Member Committee). Specific provisions regarding the authority, duration, makeup, and operating procedures of the respective committees are set forth below.
- B. Committee Authority:** "Member committees" shall exercise no Board duties and no Board duties have been or shall be delegated to any member committee. Member committees shall act solely in an advisory capacity pursuant to Board directives. Member committees shall take no affirmative action (*for example, shall not approve, reject, deny, authorize, appoint, hire, fire, etc.*), and shall only advise the Board as requested by the Board (*for example, recommend to the Board, advise the Board, compile and produce data for Board review, draft documents for Board review*), as specifically set forth below. "Board committees" shall act with limited Board authority as explicitly set forth below.
- C. Committee Duration:** Every committee shall exist until the time that a majority vote by the Board dissolves the committee.
- D. New Committees:** Creation of any new committees shall be by Board resolution and amendment of the By-laws to expressly address the authority, duration, makeup, and operating procedures of the new committee.
- E. Makeup:** The specific number of committee members for each committee is set forth below. Each member shall serve from the time he/she is appointed by the Board until the time that he/she is unable or unwilling to serve, makes his/her inability or unwillingness to serve known to the Board, and the Board formally acts to terminate his/her committee membership by majority vote of the Board, or until the time that the Board determines, in the Board's absolute discretion, that it desires to remove said member, and formally acts to terminate his/her committee membership by majority vote of the Board. In the event of termination of a committee member, the Board shall act promptly by majority vote to appoint a replacement by majority vote of the Board. Committee appointments and terminations shall be recorded in the Association minutes. Records of committee membership shall be kept current and shall be maintained as Association records.
- F. Operating Procedures:** Every committee member shall have an equal vote. The

Board shall designate one committee member as committee chairman, and the chairman shall be responsible for general committee administration. The chairman shall have an equal vote as a member of the committee. The committee may establish its own meeting schedule. Said schedule, including meeting place and time, shall be set forth in written form and shall be maintained as an Association record. The meeting schedule established by the committee shall be available as an Association record, not less than fourteen (14) days prior to the committee meeting, and said meeting schedule shall not be changed except by majority vote by the committee. Any meeting schedule change shall be made available as an Association record not less than fourteen (14) days prior to the next committee meeting. Special meetings of the committee shall be called by the committee chairman as the chairman deems necessary, or by the committee chairman upon receipt of a request by the majority of the members of the committee. Special committee meetings require notice to all committee members and notice posted at the Association's registered office five (5) days prior to the meeting. Notice shall be in writing or other form expressly agreed to by the recipient committee member, and shall state the date, time, place and purpose of the special meeting.

- G. Remote Attendance:** All committee members present in person or by conference telephone or similar communication method shall be eligible to cast a vote on any issue presented. Such presence of a simple majority of committee members shall constitute a committee quorum for voting purposes. Of the quorum present at the meeting, a simple majority vote of member's present shall constitute the committee decision.
- H. Voting:** Voting membership in committees shall be limited to those natural persons who have membership in the Association and who have been appointed to the committee by formal Board action. Non-voting members, when appointed at the discretion of the Board, need not have membership in the Association, and shall not be counted for purposes of quorum determinations or voting.
- I. Open Meetings:** Committee meetings shall be open for observation (as opposed to participation) by all Association members, except where the committee closes the meeting pursuant to **RCW 64.38.035(2)**.
- J. Board Review:** The Board shall, on an annual basis, review each committee's makeup, authority and operating procedures, and shall make any necessary modifications only through formal By-law amendment.

## **BOARD COMMITTEES**

### **ARCHITECTURAL COMMITTEE**

- K. Committee Creation:** The Shorecrest Board of Directors, by Resolution dated February 09, 2010, created a committee designated as Architectural Committee.
- L. Delegated Authority:** The Architectural Committee shall exercise such authority as set forth by its policy and procedure documents namely, covenant, By-law and rules and regulation enforcement. This committee is authorized to consider facts and evidence and render final and binding enforcement decisions. Any member affected by a decision of the Architectural Committee may appeal to the Board as provided in **Article II (A)** of the current By-laws. This committee is authorized to make recommendations to the Board regarding permitting issues, perform other tasks per explicit Board direction, make recommendations and report solely to the Board of Directors. The Architectural Committee is subject to Board control and direction, and has no jurisdiction or review authority over actions by the Board.
- M. Architectural Committee Makeup:** The Architectural Committee shall consist of five (5) or more members as follows: two (2) Board Directors and three (3) or more non-Director members.

## HEARING COMMITTEE

- N. Committee Creation:** The Shorecrest Board of Directors, by Resolution dated February 09, 2010, created a committee designated as Hearing Committee.
- O. Delegated Authority:** The Hearing Committee shall serve as a mediation body between the membership and the Board, providing a forum for individual members to state their cases concerning fines or complaints which have been made against their individual properties; makes recommendations and report solely to the Board of Directors.
- P. Hearing Committee Makeup:** The Hearing Committee shall consist of five (5) or more members as follows: two (2) Board Directors and three (3) or more non-Director members.

## Member Committees

### BY-LAWS COMMITTEE

- Q. Committee Creation:** The Shorecrest Board of Directors, by Resolution dated February 09, 2010 created a committee designated as By-laws Committee.
- R. Committee Creation:** The membership of said committee shall consist of two (2) Directors and three (3) or more members.
- S. Committee Creation:** This committee is a "member committee," meaning that no



Board duties have been delegated to the committee. The committee is to act solely in an advisory capacity pursuant to Board directives as set forth to review and evaluate the existing By-laws and propose By-law amendments for consideration by the Board. The committee shall take no affirmative action (*for example, shall not approve, reject, deny, authorize, hire, fire; etc.*), and shall only perform tasks requested by the Board (*for example, recommend to the Board, advise the Board, compile and produce data for Board review, draft documents for Board review*). The committee shall not act to disseminate information to the general membership, as the committee reports solely to the Board.

## COMMUNICATIONS COMMITTEE

**T. Committee Creation:** The Shorecrest Board of Directors, by Resolution dated February 09, 2010 created a committee designated as Communications Committee.

**U. Member Committee Makeup:** The membership of said committee shall consist of two (2) Directors and three (3) or more members.

**V. Committee Charge:** This committee is a "member committee," meaning that no Board duties have been delegated to the committee. The committee shall monitor and evaluate the Shorecrest Beach Club website and make recommendations to the Board regarding website postings and maintenance. This committee shall prepare a periodical newsletter for Board approval; and following Board approval of the newsletter shall supervise printing, mailing and/or e-mailing of the newsletter to all Shorecrest Beach Club members. The committee shall take no affirmative action (*for example, shall not approve, reject, deny, authorize, hire, fire, etc.*), and shall only perform tasks requested by the Board (*for example, recommend to the Board, advise the Board, compile and produce data for Board review, draft documents for Board review*). The committee shall not act independently to disseminate information to the general membership, as the committee reports solely to the Board.

## ACTIVITIES COMMITTEE

**W. Committee Creation:** The Shorecrest Board of Directors, by Resolution dated February 09, 2010, created a committee designated as Activities Committee.

**X. Member Committee Makeup:** The membership of said committee shall consist of two (2) Directors and three (3) or more members.

**Y. Committee Charge:** This committee is a "member committee" meaning that no Board duties have been delegated to the committee. The Activities Committee shall be responsible for making recommendations to the Board of Directors regarding the organization and supervision of the Youth Council, entertainment, game nights, fund raisers to supplement the Committee budget, and any other activity for the enjoyment of

the community. The Board of Directors will have final approval of all actions proposed by the Activities Committee. The committee shall take no affirmative action (*for example, shall not approve, reject, deny, authorize, hire, fire, etc.*).

# ARTICLE VII

## CODE OF ETHICS

- A. Standard of Care:** All Directors, Officers, Committees' Members, Agents, Contractors, Employees, Volunteers and others performing services for or on behalf of the Association, shall do so in a professional and ethical manner. They shall work to preserve and enhance property, safety, fairness and respect within the Shorecrest community. They shall strive to protect the environment while respecting the diversity and individual rights of members. All members shall conduct themselves in a respectful manner at community meeting and gatherings.
- B. Open Meetings:** All meetings of the Board of Directors and its committees shall be open for observation by all members and their authorized agents, except as otherwise specified by law.
- C. Open Records:** Except as otherwise specified by law and subject to the provisions of **Article III (D)** above, the minutes of any membership and Board meetings and all other records of the Association shall be available for examination by all members and the holders of any mortgages on any lots and their authorized agents, upon reasonable notice and upon payment of reasonable costs incurred to provide the same.
- D. Compensation:** No Director, Officer, Committee Member or Volunteer shall be compensated for work performed. Reasonable expense reimbursement is not considered compensation (*example: mileage reimbursement*). Compensation may be paid for services performed as an employee, agent or contractor, subject to conflict of interest limitations set forth below.
- E. Conflict of Interest:** No member of the Board of Directors, or of any Board of Directors committee, shall participate in any vote on any subject in which he or she has a specific personal, professional, financial, or other conflict of interest. He or she may, however, participate in discussions regarding the same.
- F. Loyalty:** All members, including Directors, are encouraged to share their views and opinions. Constructive dissent can be a very valuable resource to a Board of Directors. Directors may vote in the minority on issues, and they are not required to personally endorse any Board of Directors decision or action. They may discuss their opinions freely and openly with anyone. By accepting a Board of Directors position, each Director agrees to work within the Association processes and systems, and not to either individually, or in collaboration with others, intentionally sabotage or subvert the work of the Board of Directors.
- G. Confidentiality:** All members, including Board members, as well as Volunteers, Employees, Agents and Contractors, shall maintain confidentiality with respect to any information they become aware of having to do with any matters involving personnel, consultation or communications with legal counsel, likely or pending litigation,

possible violations of the governing documents, or involving the possible liability of a member to the Association.

- H. Loans:** The Association shall make no loans to its Directors or Officers.
- I. Audit:** The Board of Directors may cause to be prepared an audit to any or all of the financial accounts or affairs of the Association at any time, and to what extent it deems appropriate. Financial statements shall be audited where provided by law or as directed by the Board of Directors.
- J. Accounts:** The funds of the Association shall be kept in accounts in its name and shall not be commingled with the funds of any other Association, the President of the Association, or any other person responsible for custody of such funds.

# ARTICLE VIII

## ASSESSMENTS

- A. Each member, by accepting an ownership interest in any lot within the Shorecrest development, agrees to pay all assessments imposed by the Association. Assessments shall not be imposed against the lots owned by the Association. Assessments, as defined herein, shall constitute a personal obligation of each member. In addition, they shall constitute a lien as specified herein against each lot, whether this lien is reduced to writing and recorded, or not. The date of each such lien shall be the date of redecoration of the deed from the developer to the first purchaser of any lot within the development.
- B. Members have the obligation to pay assessments, but the Association recognizes that individual members often face financial difficulties. The Association shall diligently collect all accounts. When an account becomes delinquent for more than forty five (45) days, the Association shall make reasonable efforts to work with the member to bring the account current, including readily accepting reasonable payment plans, supported by a promissory note, where such plans provide for payment in full of all delinquencies, and specify that all future assessments will be paid on time.
- C. When reasonable collection efforts are not successful and if appropriate in the judgment of the Association, policies and procedures that have been adopted by the Board of Directors shall be followed for further collection methods.
- D. **Assessments:** The following are included in the meaning of “assessments”:
1. **General Annual Assessment and/or Dues:** The Association shall impose a general annual assessment and/or dues at the beginning of each fiscal year on each lot within the development.
  2. **Special Assessments:** Special assessments for particular expenses may also be imposed.
  3. **Other Charges:** In addition to these general and special assessments, the following charges may also be imposed and are for the purposes of the By-laws also considered assessments:
    - a. **Remediation Expenses:** The Board of Directors may charge to a member any lot condition remediation expenses incurred by the Association, as specified in any rules & regulations of the Association, either before or after any Sheriff’s sale;
    - b. **Fines:** Any fines, pursuant to a system for the imposition of fines for violation of Shorecrest Beach Club covenants and/or rules, as adopted by the Board of Directors;
    - c. **Late Fees and Interest:** The Association may add reasonable late fees, as well as interest, not to exceed current restrictions set by the RCW’s

compounded annually, to any delinquent account and all assessments related thereto; and

- d. **Expenses and Fees:** If the Board of Directors is required to expend any funds, with or without litigation, in pursuit of the collection of any assessments, as defined herein; the assertion of or defense to any claims regarding the authority, jurisdiction or exercise any of the powers of the Association; the assertion of or defense to any claims regarding the personal or real property of the Association; the correction of any violation of Shorecrest Beach Club covenants, rules and/or regulations; or with regard to any other dispute concerning its actions and/or powers; all expenses, including but not limited to attorney, accountant, other expert, title report and surveyor fees; all other costs of litigation, including court and discovery expenses; and any and all other accounts reasonably expended in the process of collection, defense, dispute resolution or correction; shall be paid by the member responsible.

# ARTICLE IX

## GOVERNANCE

- A. Binding Rules:** The rules of the Association, including the covenants, Articles of Incorporation, these By-laws, and other Association rules & regulations, are binding on all members. The acceptance of an interest in title also constitutes an agreement that the member accepts Association governing documents and rules & regulations as they exist now and may be lawfully amended in the future, for him or herself as well as for all family members, guests and tenants.
- B. Construction:** Where any terms of the covenants and/or other rules are unclear, the Association shall have the right, power and authority to interpret the same by providing a meaning that is reasonable and fair, and advances the purpose of the Association and the collective interests of the members.
- C. Violations of Rules:** In addition to collection of assessments, it may from time to time be necessary for legal action to be undertaken in order to correct violations of Shorecrest covenants and/or rules, and/or to respond to claims against the Association. The Association itself may bring actions to correct such violations or, where the rule violated is a recorded restrictive covenant, any individual members may also do so. A corrective action, other claim, or response to a claim may be brought at law or in equity, and may request relief in the form of injunction, remediation, foreclosure, damages and/or collection of assessments as defined in **Article VIII (D)(3)** above, or any other relief authorized by law or in equity.
- D. Limitation on Actions Against the Board of Directors, Etc.:** No legal action may be brought against the Board of Directors, its Officers, Employees, Agents, Committee Members and/or Volunteers for failure to enforce any provisions of the governing documents or rules & regulations under any circumstances; or for mistakes made reasonably and in good faith regarding the approval or failure to approve building or other lot improvement plans.
- E. Indemnification:** The Association may indemnify current or former directors or Officers, or any other person, to the maximum extent pursuant to law.
- F. Severability:** If any provision of these By-laws is deemed illegal or without effect, the remaining provisions shall not be affected.
- G. Non-Waiver:** Failure of the Association to enforce any Association covenant, Article of Incorporation, By-law, or any other rule or regulation against any member shall not operate;
1. to waive the right of the Association to enforce at any time the same rule or any other rule against the same or any other member;
  2. to acquiesce in the future non-enforcement of the same or any other rule; as the abandonment of the right to enforce the same or any other rule;

3. to constitute any other defense to enforcement in any particular case. No member may rely on any such failure to enforce for any purpose.

**H. Application.** The provisions of these By-laws shall apply to all circumstances existing at the time of their adoption, except when to do so would substantially impair an existing vested right or interest. If such circumstances exist, the application of the provisions of these By-laws shall be shaped to effectuate their purposes to the greatest degree possible while at the same time interfering with such rights only to the extent reasonably necessary to do so.

**I. Amendments.** Amendments to these By-laws may be submitted to the membership by the Board of Directors, or by a petition of members in good standing to the Board of Directors representing twenty percent of the total votes of the Association. These By-laws may be amended by the majority vote of the members in good standing voting at a meeting with a quorum. The effective date of each amendment shall be as specified therein.

### **Date of Adoption**

These By-Laws are duly adopted by the corporation on the 30<sup>th</sup> day of October 1965, and amended June 1969, June 9, 1973, February 16, 1980, March 22, 1980, June 14, 1980, September 2000, June 2002, June 12, 2004, October 14, 2006, June 19, 2010 (ARTICLE VII), April 19, 2014 (New Revised By-Laws), April 18, 2015 (ARTICLE IV B Qualification).



# ARTICLE X

## CERTIFICATION OF AMENDMENT

**A. Certification:** The Board of Directors of the Shorecrest Beach Club certifies that the above stated By-laws were properly adopted according to all requirements as an amendment to the By-laws of Shorecrest Beach Club.

**B. Effective Date:** The effective date of these amended By-laws shall be and is the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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Signature/position	Name	Date
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Signature/position

Name

Date