

**BYLAWS OF
THE BEACH AT CORRAL CREEK HOMEOWNERS ASSOCIATION
a non-profit corporation
(the "Association")**

ARTICLE I.

Name and Location: Protected Covenants

1.1 Name and Location. The name of the corporation shall be The Beach at Corral Creek Homeowners Association, (the "Association"). The address of the corporation is 2105-112th Ave. N.E. suite 102 Bellevue, WA 98004. The Association shall be a non-profit corporation formed under the provisions of Chapter 24.03 of the Revised Code of Washington ("RCW").

1.2 Statutory Requirements. All Bylaws are intended to be consistent with Washington State law, including the provisions governing homeowner associations contained in Chapter 64.38 RCW, and the Washington nonprofit corporation act set forth in Chapter 24.03 RCW and all subsequent amendments thereto.

1.3 Articles of Incorporation and Protective Covenants. As defined herein, the Protected Covenants, The Beach at Corral Creek Covenants, the Plat, the Declaration of Easement and Covenants, and the Articles of Incorporation of The Beach at Corral Creek Homeowners Association ("Articles") must be reviewed and interpreted collectively with these Bylaws. The Bylaws, Protected Covenants, The Beach at Corral Creek Covenants, the Plat, the Declaration of Easement and Covenants, and Articles jointly constitute the Governing Documents of the Association (collectively, the "Governing Documents").

ARTICLE II.

Definitions

2.1 "Act" means the Washington Nonprofit Corporation Act Chapter 24.03 RCW as amended from time to time.

2.2 "Association" means The Beach at Corral Creek Homeowners' Association.

2.3 "Board" shall mean and refer to the Board of Directors of the Association, its successors and assigns.

2.4 "Common Areas" shall mean all real and personal property owned (including ownership by easement) or used by the Association for the common use and enjoyment of the members of the Association, as set forth in the Governing Documents.

2.5 "Majority" shall mean more than fifty percent (50%) of the total votes of the Association (currently 14 votes since there are 27 lots identified in the Plat that are included in the Association).

2.6 "Owner" shall mean an owner of one or more of Lots 1-27, inclusive, identified in the Plat (and shall be synonymous with the definition of "Member" in the Association's Articles of Incorporation).

2.7 "Declaration of Easement and Covenants" shall mean the Declaration of Easement and Covenants recorded May 20, 2014, under Douglas County Auditor's File No. 3178192, and the Covenants, Conditions, Restrictions and Agreements set forth in the Statutory Warranty Deed recorded May 20, 2014 under Douglas County Auditor's File No. 3178193.

2.8 "Plat" shall mean the Plat of The Beach at Corral Creek recorded December 21, 2010 under Douglas County Auditor's File No. 3148492.

2.9 "Protected Covenants" shall mean the Amended and Restated Protective Covenants, Douglas County Washington dated December 20, 2005, and recorded December 23, 2005 under Douglas County Auditor's No. 3093154, as amended by the First Amendment to Amended and Restated Protective Covenants, dated January 9, 2008, and recorded January 15, 2008, under Douglas County Auditor's No. 3119700 (same covenants also recorded a second time March 27, 2008 under Douglas County Auditor's No. 3121922), and amended by the Second Amendment to Amended and Restated Protective Covenants, dated April 30, 2012, and recorded May 9, 2012 under Douglas County Auditor's No. 3159788 (the "Amended and Restated Protective Covenants").

2.10 "The Beach at Corral Creek Protective Covenants" shall mean The Beach at Corral Creek Protective Covenants, dated December 13, 2010, recorded under Douglas County Auditor's No. 3148349, and The Amended and Restated Covenants for the Beach at Corral Creek, dated March 8, 2013, recorded under Douglas County Auditor's No. 3167651, as amended by the First Amendment to the Amended and Restated Covenants for The Beach at Corral Creek, dated May 13, 2014, recorded under Douglas County Auditor's No. 3178191, and all amendments thereto.

ARTICLE III.

Meeting of Owners

3.1 Annual Meetings. The annual meeting of the Owners shall be held within 90 days of the end of the Association's fiscal year, on such date and at such place as determined by the Board of Directors. Notice shall be given as set forth in Section 3.4 below. At the annual meeting, the Board shall present a report of the common expenses, itemizing receipts and disbursements for the preceding twelve (12) months, the allocation thereof to each Owner, and the estimated common expenses for the coming year. The Board at any time, or ten (10) Owners, by written request, may require that an audit of the Owners' Association and management books be presented at the next annual meeting; provided, however, if the total annual assessments are \$50,000 or more, the Board shall obtain an audit annually by a certified public accountant, unless said audit is waived by a Majority at a meeting. An Owner, at said Owner's own expense, may at any reasonable time make an audit of the books of the Association.

3.1.1 Annual Meeting—Order of Business. Unless otherwise set forth in the Notice or otherwise agreed by the Owners present, in person or by proxy, the order of business shall be as follows:

- A. Calling of the meeting to order.
- B. Proof of notice of meeting (or filing waiver).
- C. Presentation and examination of proxies.
- D. Reading of minutes of last annual meeting.
- E. Report of the officers; Annual summary report of the activities of the Board of Directors.
- F. Reports of committees, if any.
- G. Financial Report; Ratification of Board adopted Budget
- H. Election of Directors.
- I. Miscellaneous business.
- J. Adjournment.

3.2 Special Meetings. Special meetings of the Owners may be called at any time for the purpose of considering matters which by the terms of the Governing Documents require the Owners' approval, or for any reasonable purpose, by the President or by the Board of Directors, or upon written request signed by five (5) Owners. Said meeting shall be called by written notice, signed by the Secretary. The matters to be considered at the special meeting shall be limited to those stated in the written notice of meeting.

3.3 Continued and Adjourned Meetings. If the Owners desire to continue a meeting at which a quorum is present, the Owners comprising the quorum (by a majority vote of those in attendance, by person or by proxy) shall have power to continue the meeting from time to time, without additional notice other than announcement at the meeting, until the meeting is formally closed. If any meeting of the Owners cannot be organized because a quorum is not in attendance, the Owners present in person or by proxy may adjourn the meeting to a time not more than fourteen (14) days from the time the original meeting was called and notice of the date, time and location of the adjourned meeting shall be provided to all Owners.

3.4 Notice of Meetings. Written notice of each meeting of the Owners shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fourteen (14) days, and not more than sixty (60) days, before such meeting to each Owner entitled to vote at such meeting.

3.5 Waiver of Notice. A waiver of any notice required to be given any Owner, 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. Notice of any meeting is waived by actual attendance, unless such attendance is expressly limited to the purpose of objecting to the legality of the meeting.

3.6 Quorum; Action. The presence at the meeting, in person or by proxy, of Owners fourteen (14) votes entitled to be cast shall constitute a quorum for any action except as otherwise provided in these Bylaws or the Governing Documents. If no percentage is specifically set forth in the Act or the Governing Documents, as to any action to be taken at a meeting of Owners, then any action may be taken upon the affirmative vote of a Majority.

3.7 Manner of Voting: Proxies. An Owner may vote in person or by proxy. All proxies shall be in writing, signed, and dated. To be considered, proxies must be received by the Secretary, or an agent designated by the Secretary, on or before the day of the meeting, either in person, via facsimile, electronic transmission or by mail to the Association's, or the designated agent's, post office box or address. A proxy is void if it is undated or purports to be revocable without notice. Unless stated otherwise in the proxy, the proxy terminates eleven (11) months after the date of issuance.

ARTICLE IV. Voting Rights

4.1 Voting Rights. Each Owner shall be entitled to cast one (1) vote per Lot. The foregoing is not intended to include persons or entities holding an interest merely as security for the performance of an obligation. Ownership shall be appurtenant to and may not be separated from ownership of a Lot that is subject to assessment by the Association. If an Owner owns more than one Lot, the Owner shall have the votes for each Lot owned.

4.2 Voting by Multiple Owners. If the Owner of a Lot is other than one individual, a majority of Owners of the Lot shall specify, in writing to the Association, the individual who is the designated Owner for purposes of membership, notices and voting in the Association. In the absence of such written specification, then if only one of the multiple Owners of a Lot is present at a meeting of the Association or has delivered a written proxy to the Association secretary, the Owner is entitled to cast the vote allocated to that Lot. If more than one of the multiple Owners are present or has delivered a written proxy to the Association secretary, the vote allocated to that Lot may be cast only in accordance with the majority agreement of the multiple owners. There is majority agreement if any one of the multiple Owners casts the vote allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Lot.

The designated Owner must be an individual who is either an Owner or, if the Owner is or includes a person other than an individual; an individual who is a partner, if the Owner is or includes a partnership; or an officer of the corporation, if the Owner is or includes a corporation; or a trustee of the trust, if the Owner is or includes a trust; or an owner or designated agent of the entity, if the Owner is or includes a person other than an individual, a partnership, a corporation,

or a trust. The designated Owner, as so specified, shall be the only person entitled to vote for the Owner of the Lot at Association meetings and elections. An Owner may change the individual who is the designated Owner for its Lot by providing written notice of such change to the Board; provided each such individual is eligible to be a designated Owner hereunder, and subject to such reasonable rules, regulations, and processing fees, as the Board from time to time may adopt.

4.3 Register of Owners. The Board shall cause a register to be kept containing the names and addresses of all Owners of the Association. Owners of the Association who sell or convey their interest in a Lot shall promptly report to the Board of Directors the name and address of their successor. Persons claiming membership in the Association shall, upon request, furnish the Board with a copy of any documents under which they assert ownership to a Lot, or any interest therein. The Board may require that Owners supply the Board with copies of any security instrument affecting their Residential Lots or Residential Units.

4.4 Binding Effect. All Owners and all employees, contractors, agents, guests, invitees, or tenants of such Owners, and any other person that may in any manner use or be upon the Property described in the Governing Documents, or any part thereof, shall be subject to the Governing Documents, and any rules and regulations pertaining to the use and operation of the Property and Common Areas, or the Governing Documents. Each Owner shall ensure that the Owner's employees, contractors, agents, guests, invitees, or tenants are made aware of and comply with the Governing Documents and applicable rules and regulations.

ARTICLE V.

Board of Directors: Selection and Term

5.1 Number. The affairs of the Association shall be managed by a board of three (3) Directors, who are all Owners.

5.2 Term of Office. The terms of Directors shall be for three (3) years; except for the initial Board of Directors who shall serve staggered terms as follows:

5.2.1 Board Position No. 1 expires at the annual meeting in 2018;

5.2.2 Board Position No. 2 expires at the annual meeting in 2019; and

5.2.3 Board Position No. 3 expires at the annual meeting in 2020.

All Directors shall hold office until their successors are: (1) appointed or elected, and (2) accept the position or attend their first Board meeting.

5.2.4 Appointment by Declarant. Until Corral Creek, LLC surrenders developer control pursuant to the Governing Documents, the Board shall be appointed by Corral Creek, LLC. Corral Creek, LLC appoints the following initial Board of Directors:

Board Position No. 1:

GENE HILDAHL

Board Position No. 2:

GREGORY PETERSEN

Board Position No. 3:

COLE YOUNGER

5.3 Removal. Any Director may be removed from the Board, with or without cause, by a vote of the eighteen (18) Owners at a meeting. In the event of death, resignation, or removal of a Director, his or her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of the predecessor.

5.4 Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for the Director's actual expenses incurred in the performance of the Director's duties.

5.5 Nomination. Commencing with the election to occur at the first annual meeting following the surrender of developer control, nominations for election to the Board of Directors shall be as follows: The Board will send out letters of interest to the Association members prior to the annual meeting requesting nominations. The Board will then contact nominees to verify their interest. If the nominations are insufficient to fill the vacancies on the Board, the Board will solicit interested parties. The nominees' names will be submitted to a vote of the Owners at the annual meeting. Additional nominations may be made by the Owners in attendance at the meeting. The Board shall make as many nominations for election to the Board of Directors as desired, but not less than the number of vacancies that are to be filled.

5.6 Election. Election to the Board of Directors shall be by confidential written ballot at the annual meeting of the Owners. All nominees shall be listed on a single ballot for each Board position that is vacant. Each Owner shall be entitled to vote as set forth in these Bylaws, the number of votes the Owner is then entitled to vote, for each Director position up for election. Cumulative voting is not permitted. The persons receiving the largest number of votes shall be elected to the open positions on the Board. In the event of a tie vote, the election shall be decided by a coin toss with the candidate whose first letter of their last name appears first in the alphabet making the call "heads" or "tails".

5.7 Vacancy. In the event of a vacancy on the Board of Directors, the remaining two (2) Directors may appoint an Owner to fill the remaining unexpired term of the vacant Board Position. In the event there are two (2) or more vacancies on the Board of Directors, a special meeting shall be called to hold an election to fill the remaining unexpired term of the vacant Board Positions.

ARTICLE VI.

Meetings and Actions of the Board

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held without notice, at such place and hour as may be fixed from time to time by agreement or resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on a day agreed upon by the Board which is not a legal holiday. All

meetings of the Board of Directors are open for observation by all Owners. Closed door sessions of the Board of Directors must comply with Section 64.38.035(4) RCW.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors.

6.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting, at which a quorum is present, shall be regarded as the act of the Board, unless the act of a greater number is required by the Act or Governing Documents.

6.4 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting, by obtaining the written consent or electronic mail approval of a majority of the Directors, unless such greater percentage is required by the Act or the Governing Documents. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

6.5 Telephone Meetings and Action. Members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment provided that all persons participating in the meeting can communicate with each other at the same time. Participation by such telephone or communications equipment shall constitute presence in person at a meeting.

6.6 Transaction of Business. The transaction of any business at any meeting of the Board of Directors of the Association however called and noticed, wherever held, shall be valid as though a meeting duly held after regular call and notice if a quorum is present, and, if either before or after the meeting, each Director signs a written waiver of notice, or a consent to holding of the meeting, or an approval of the minutes thereof or of the resolution or act adopted at such meeting. All such waivers, consents or approvals shall be in writing and filed with the secretary and made a part of the minutes of the meeting even though filed subsequent hereto.

6.7 Notice and Waiver of Notice. Notice of special meetings, or any other notice required under this Article VI, may be given orally and will be deemed given when personally communicated to and understood by a Director, when written notice has been personally served or e-mailed to a Director, or three (3) business days after written notice has been mailed, postage prepaid, by first class U.S. mail to a Director. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the Director or Directors, whether before or after the time stated for the meeting, shall be equivalent to the giving of notice.

6.8 Registered Dissent. A Director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless his/her dissent shall be entered in the minutes of the meeting, or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the

Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

6.9 Powers and Duties of the Board. The Association, acting by and through the Board of Directors, its officers, or other duly authorized agents or representatives, shall have all those powers granted and enumerated in the Act and in the Governing Documents. The Board shall have the authority to exercise for the Association all powers, duties and authority vested in or delegated to the Association, and which are not specifically reserved to the Owners. Without limiting the foregoing, the Board has the power to:

6.9.1 To the extent it deems advisable employ a person or firm to manage the Association, and may employ such other persons as are necessary in its opinion for the proper operation thereof; provided, the employment of a person or firm to manage the Association shall be under a written contract for a term not in excess of three (3) years and will include a clause permitting cancellation by the Board immediately with or without cause.

6.9.2 To adopt such reasonable rules and regulations as may be permitted by the Act or the Governing Documents, and which the Association may deem necessary or advisable to administer the Association and properly manage and administer the Property and Common Areas. The rules and regulations may be amended from time to time by the Board and shall be deemed a part of the Bylaws.

6.9.3 To enforce the provisions of the Governing Documents and such rules and regulations as may be adopted by the Association, together with any revisions thereof or amendments thereto.

6.9.4 To assess fines for violations of the rules, regulations, and Governing Documents, in such amounts as shall be determined by a schedule to be adopted by the Board of Directors. All such fines for violations shall be deemed to be an assessment and may be assessed to the Owner in the same way that Common Area assessments are collected.

6.9.5 To arrange for all utility services serving any Common Areas or facilities, and the lots (except utility services separately metered and charged to the individual lots).

6.9.6 To arrange for and supervise the maintenance, repair and replacement of any Common Areas or facilities.

6.9.7 To purchase such furniture, furnishings, supplies, equipment, goods or other personal property which may be necessary or incidental to the maintenance and operation of the Board and any Common Areas or facilities.

6.9.8 The Board may pay any amount necessary to discharge any lien or encumbrance levied against a Common Area or any part thereof which is claimed to, or may, in the opinion of the Board, constitute a lien against the Common Areas, rather than merely against the interest therein of a particular Owner. Where one or more Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and

any costs and expenses incurred by the Board by reason of such lien or liens shall be assessed against the owners and the lot responsible to the extent of their responsibility.

6.9.9 The Board's power as enumerated shall be limited to the extent that the Board shall have no authority to acquire and make a capital addition and improvement (other than for the purpose of restoring, repairing or replacing portions all any portion of the Common Areas) having a total cost in excess of Twenty Five Thousand Dollars (\$25,000), without first obtaining the affirmative vote a Majority at a meeting called for such purpose, or if no such meeting is held, then by written consent of a Majority.

6.9.10 To determine the amount of assessments to be collected from the Owners for common expenses, to establish reserves, to collect the assessments and enforce the collection thereof, as authorized by or provided in the Governing Documents, the Act, or the laws of the state of Washington.

6.9.11 To pay or provide for the payment of all common expenses out of assessments paid by the Owners or by such other means as may be permitted by the Governing Documents, the Act, or the laws of the state of Washington.

6.9.12 To obtain and maintain the insurance coverage required or authorized by the Governing Documents, or otherwise necessary and desirable in the opinion of the Board of Directors.

6.9.13 To employ attorneys, accountants, architects, real estate firms, consultants, specialists, or such other persons, as may be reasonably necessary or convenient to assist the Association and the Board of Directors in the management and administration of the Association.

6.9.14 To institute, defend and settle, as appropriate, actions of law, in equity or before administrative bodies, to further or protect the interests of the Association, the Owners, and the property, and to incur such expenses and attorney's fees as may be reasonable, necessary or convenient for the acknowledgment thereof.

6.9.15 To exercise and perform all of the rights and duties which are authorized or required by the Act and the Governing Documents to the extent reasonably necessary or incidental to the management and administration of the Association and in accomplishing the purposes of the Association.

6.9.16 To cause to be kept a complete record of all its acts and affairs and to present a summary report thereof to the Owners at the annual meeting.

6.9.17 Unless exempt from compliance, to comply with the provisions of Chapter 64.38 RCW, including the establishment of a reserve account and the decision whether or not to obtain and update a reserve study.

6.9.18 To prepare and adopt an annual budget within thirty (30) days prior to the notice of the annual meeting days and to provide a summary thereof to the Owners along with the notice of the annual meeting.

6.9.19 The enforcement of any rules, covenants, conditions, regulations, restrictions and requirements set forth in the Governing Documents, or rules and regulations adopted by the Board. Such enforcement shall not be deemed to have been waived by reason of any failure to enforce the same, irrespective of the number of violations.

Unless otherwise provided in the Governing Documents or by the Act, the Board may act to comply with the instructions of a majority of the Owners, as expressed in a resolution or motion adopted at a meeting of the Association.

Nothing herein shall be construed to authorize the Association or Board of Directors to conduct an active business for profit on behalf of the Owners.

6.10 Committees. Standing or special committees may be appointed by the Board of Directors from time to time and invested with such responsibilities as the Board may prescribe. All committees so appointed shall keep regular minutes and shall cause them to be recorded in books kept for that purpose in the office of the Association. The designation of any such committee and the delegation of authority thereto, shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law. If composed entirely of Board members, such committees shall have, to the extent provided in the resolution establishing the committee, the authority of the Board, but the designation of committees shall not relieve the Board of any responsibility imposed upon it by law or the Governing Documents. Unless otherwise herein provided, each committee shall consist of a chairman and two members (all Owners), and each committee shall include at least one member of the Board of Directors, for Board contact.

6.10.1 Design Committee. Corral Creek, LLC shall continue to appoint the membership of the Design Committee. At such time that Corral Creek, LLC relinquishes developer control of the Design Committee the Board of Directors shall function as the three-member Design Committee until the Owners, by a majority vote determine to elect a separate committee.

6.11 Duties of Directors. A Director shall perform the duties of a Director, including the duties as a member of any committee of the Board of Directors upon which the Director may serve with ordinary and reasonable care. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:

6.11.1 One or more officers or employees of the Association whom the Director believes to be reliable and competent in the matter presented;

6.11.2 Counsel, public accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

6.11.3 A committee of the Board upon which the Director does not serve, duly designated in accordance with these Bylaws, and to matters within its designated authority, which committee the Director believes to merit confidence.

ARTICLE VII.

Officers

7.1 Designations. Officers of the Association, who will also serve as Directors of the Association, shall be a President, a Vice-President/Secretary and a Treasurer and such other Officers as the Board may, from time to time, create by resolution. The Officers shall serve for such a period of time and shall have such powers and duties as may be designated by the Board and may be removed at any time, with or without cause, by the Board. The service of the Officer shall terminate if the Officer is no longer a member of the Board of Directors. Except as now or hereafter limited by law or the Articles of Incorporation, two or more offices may be held by the same person, except that the offices of President and Secretary shall not be held by the same person.

7.2 Election of Officers. Except in the event of a vacancy, the Officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Association and shall hold office at the pleasure of the Board. Officers shall take office upon adjournment of the meeting at which they were elected.

7.3 President. The President shall be the chief executive officer of the Association. The President shall preside in all meetings of the Association and the Board and shall administer the enforcement of all Board resolutions, orders and policies, and shall sign any and all notes, checks, contracts, leases, mortgages, deeds, and other instruments as required by the Board. Unless otherwise determined by the Board, the President shall have the responsibility to prepare, execute, certify and record amendments to the Governing Documents.

7.4 Vice President/Secretary. During the absence or disability of the President, the Vice President shall exercise all the functions of the President. The Vice President shall have such other powers and discharge such duties as may be assigned to him/her from time to time by the Board of Directors. The Vice President shall also serve as the Secretary and shall keep and maintain the minutes of all meetings of the Board of Directors and of the Owners, including records of votes of the Board and the Owners. The Secretary shall serve notice of meetings of the Board and the Owners, and shall maintain the official records of the Association, including a roster of the names and addresses of the Owners. In the absence or disability of the President, the Treasurer shall serve as the Secretary until a President of the Board

7.5 Treasurer. The Treasurer shall have responsibility for Association funds and shall keep account of all receipts of disbursements in books belonging to the Association. The Treasurer shall disburse the funds of the Association in payment for the just demands against the Association or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time as may be required of him/her, an account of all his/her transactions as the Treasurer and of the financial conditions of the Association. The Treasurer shall send notices of dues and assessments to Owners, shall

monitor delinquent accounts and advise the Board on appropriate collection actions. The Treasurer shall perform such other duties incident to his/her office or that are properly required of him/her by the Board of Directors or the President, which shall conform to the accounting and reporting requirements imposed by law as applicable to the Association. All checks written by the Treasurer shall be signed by the Treasurer and the President or Vice President.

7.6 Other Officers, Assistants, Employees. Other Officers of the Association, assistants to the Officers, or persons employed or retained to assist the Officers or the Board, shall have such authority and shall perform such duties as the Board of Directors may prescribe within the provisions of these Bylaws.

7.7 Delegation. In the case of absence or inability to act of any Officer of the Association and of any person herein authorized to act in his/her place, the Board of Directors may from time to time delegate the powers of the duties of such Officer to any other Officer or any Director or other person whom it may select.

ARTICLE VIII.

Indemnification of Officers, Directors, Employees, and Agents

8.1 No Personal Liability. No Director, Committee Member, or Officer of the Association shall be personally liable to the Association or the Owners, nor to any other party, for any damage, loss or prejudice that results from such person's conduct as a Director, Committee Member or Officer; provided, however, that this provision shall not eliminate any party's personal liability for acts or omissions that involve intentional misconduct or a knowing violation of law by the acting party, or for benefit in money, property or service to which the actor is not legally entitled.

8.2 Indemnification. The Association shall indemnify an Officer, Director, Committee Member, employee or agent of the Association, (the "indemnified party") acting in good faith on behalf of the Association and utilizing ordinary and reasonable care, from damage and liability incurred or imposed by virtue of his or her conduct as a Director, Committee Member, Officer, employee, or agent whether or not the person is an Officer, Committee Member, Director, employee, or agent at the time the damage or liability is incurred; provided, however, that indemnification shall be made only upon a determination that indemnification is permissible under the circumstances because the indemnified party met the standard of conduct set forth in this Section. Such determination shall be made: (1) by the Board by a majority vote of a quorum consisting of Directors or Officers not at the time parties to such proceeding; or (2) in a written opinion by special legal counsel, other than an attorney who has been retained by or who has performed services within the past three years for the Association or any party to be indemnified, selected by the Board or a committee thereof by vote, or if the requisite quorum of the full Board cannot be obtained therefor, by a majority vote of the full Board (in which selection, a Director seeking indemnification may participate). The Association may purchase insurance consistent with this indemnity and otherwise covering the Officers and Directors for their actions on behalf of the Association.

8.3 Cost. The cost of any indemnification hereunder shall be a common expense of the Association.

ARTICLE IX.

Contracts, Loans, Checks and Deposits

9.1 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 Association, and such authority may be general or confined to specific instances.

9.2 Loans. No loans shall be contracted on behalf of the Association 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. No loans shall be made to any Officer or Director of the Association.

9.3 Checks, Drafts, etc., Special Rule for "Reserve Funds". All Checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as is from time to time determined by resolution of the Board; provided that reserve funds of the Association, if any, shall be kept in a segregated account and any transaction affecting such funds, including the issuance of checks, shall require the signature of at least two (2) persons who are officers or Directors of the Association.

9.4 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

ARTICLE X.

Handling of Funds

10.1 Accounts. The Board shall establish the necessary account(s) for the operation of the Association. Maintenance and supervision of these accounts shall be the responsibility of the Treasurer. The Treasurer shall administer the various accounts in such a way that the funds are secure and that the signature cards for the accounts at the various institutions holding the funds are up to date.

10.2 Reserve Account. The Board shall direct the Treasurer to establish an account in a federally insured depository to be known as the Reserve Account. The purpose of the Reserve Account is to provide for major expenses relating to the Common Areas, for replacement of structural or other areas and mechanical equipment of the Common Areas, for financial stability during periods of special stress, and to meet deficiencies in the general account that may occur from time to time as a result of delinquent payment of assessments, and for other contingencies. Transactions affecting reserve account funds, including the issuance of checks, shall require the signature of two persons who are Directors of the Association. Unless exempted, the Board shall comply with the notification requirements of RCW 64.38.075 with regard to withdrawals from

the Reserve Account for unforeseen or unbudgeted costs that are unrelated to maintenance, repair or replacement of the Common Areas.

10.3 General Account. The Treasurer shall cause to be established a checking account to be known as the General Account. This account will be the working account for the current operation of the Association and will normally receive all monthly assessments and all other funds received by the Association. Checks shall be issued from this account for all insurance, management, maintenance, and operation expenditures necessary for the Association. All checks from the General Account require the signature of one Director of the Association, unless the check is greater than \$10,000, in which event said check shall require the signature of two persons who are Directors of the Association.

ARTICLE XI.

Books and Records, Fiscal Year

11.1 Inspection. The Association shall keep financial records in accordance with common and accepted accounting principles. All financial and other records shall be made reasonably available for examination by any Owner and the Owner's authorized agents.

11.2 Fiscal Year. The fiscal year of the Association shall be the calendar year.

11.3 Statement Regarding Assessment. The Association, upon written request, shall furnish a statement signed by an officer or authorized agent of the Association setting forth the amount of unpaid assessments against that Lot. The statement shall be furnished within fifteen (15) days after receipt of a request; provided that the Association may condition the furnishing of the statement upon the payment of a reasonable fee for the service, as determined by the Board from time to time.

11.4 Purpose. All funds collected hereunder shall be expended for the purposes designated in or permitted by Governing Documents or the Act.

ARTICLE XII.

Notification and Transfer of Association Ownership

Each Owner shall be solely responsible for notification to any person using their Lot of the requirements contained in the Governing Documents, and other rules and regulations applicable to the use of the Lot and the property of the Association. Each Owner acknowledges and agrees that a periodic occupant of the Lot due to participation of a Lot in a rental pool or other arrangement for short-term, vacation, or other occupancy of less than one month is prohibited. At such time as any Lot shall be sold, it shall be the responsibility of the seller to provide to the new Owner a copy of the Governing Documents and rules and regulations. Copies of these documents can be obtained from the Secretary of the Association and it shall be required that the new Owner shall sign a receipt for these documents. It shall be the Owner's responsibility to see that all tenants, guests, agents, or other agents, or invitees are informed of the applicable rules and regulations.

ARTICLE XIII.

Assessments

As more fully provided in the Governing Documents and policies as the Board may from time to time adopt, each Owner is obligated to pay to the Association annual and special assessments, and other charges, fines, or penalties imposed for non-payment of the assessments. All such assessments, charges, and fees are secured by a continuing lien upon the Owner's Lot against which the assessment, charge, or fee is made. Any assessments or other charges which are not paid within thirty (30) days after the due date shall bear interest from the date of delinquency at the rate of 12 percent (12%) 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 attorney's fees of any such action shall be added to the amount of such assessment or other charges. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Areas or abandonment of the Owner's Lot. The personal liability of any Owner for delinquent assessments or other charges shall not pass to his or her successors in title unless expressly assumed by them. Liens for delinquent assessments and other charges shall be recorded in the office of the County Recorder.

ARTICLE XIV.

Amendment

The Bylaws may be amended by a Majority vote of the Owners, at a special or regular meeting of the Owners; provided that the notice for such meeting shall be given in compliance with these Bylaws and shall include the proposed amendment.

ARTICLE XV.

Severability

The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other portion or provision.

ARTICLE XVI.
Rules of Order

The rules contained in the most current edition of Robert's Rules of Order, as may be revised from time to time, shall govern all meetings of the Owners and the Board, except where those rules are not inconsistent or in conflict with the Governing Documents.

Adopted this ____ day of _____, 2016.

THE BEACH AT CORRAL CREEK
HOMEOWNERS ASSOCIATION

GENE HILDAHL
Director Position 1

GREGORY PETERSEN
Director Position 2

COLE YOUNGER
Director Position 3

ARTICLES OF INCORPORATION
OF
THE BEACH AT CORRAL CREEK HOMEOWNERS ASSOCIATION

The undersigned, for the purpose of forming a corporation under the nonprofit laws of the State of Washington, Chapter 24.03 RCW, hereby adopts the following Articles of Incorporation.

ARTICLE I.
NAME

The name of the Association shall be: The Beach at Corral Creek Homeowners Association.

For purposes of these Articles, the term "Property" shall mean and refer to Lots 1-27 of the plat of The Beach at Corral Creek, Douglas County Auditor's File No. 3148492, the term "Association" shall mean The Beach at Corral Creek Homeowners Association, and the term "Member" shall mean an owner of one or more of the Lots comprising the Property.

ARTICLE II.
TERM

The term of existence of the Association shall be perpetual.

ARTICLE III.
PURPOSES

The purposes for which the Association is organized are as follows:

1. To manage the common use areas of the Association, including but not necessarily limited to (a) entries, (b) roads and bridges, (c) drainage structures, (d) landscaped and park areas (including irrigation systems associated therewith), (e) trails and similar recreational features, (f) easements reserved in anticipation of the formation of the Association, (g) the common areas and responsibilities designated or referred to on the Plat of The Beach at Corral Creek recorded at Douglas County Auditor's File No. 3148492, and (h) other property, property rights, amenities, or improvements held or managed by the Association for the benefit of its Members; and

2. To enforce and administer The Beach at Corral Creek Protective Covenants, dated December 13, 2010, recorded under Douglas County Auditor's No. 3148349, and The Amended and Restated Covenants for the Beach at Corral Creek, dated March 8, 2013, recorded under Douglas County Auditor's No. 3167651, as amended by the First Amendment to the Amended and Restated Covenants for The Beach at Corral Creek, dated May 13, 2014, recorded under Douglas County Auditor's No. 3178191, as they now exist or are hereafter amended; and

3. With regard to the Property, the Association is authorized to enforce and administer the Amended and Restated Protective Covenants, Douglas County Washington dated December 20, 2005, and recorded December 23, 2005 under Douglas County Auditor's No. 3093154, as amended by the First Amendment to Amended and Restated Protective Covenants, dated January 9, 2008, and recorded January 15, 2008, under Douglas County Auditor's No. 3119700 (same covenants also recorded a second time March 27, 2008 under Douglas County Auditor's No. 3121922), and amended by the Second Amendment to Amended and Restated Protective Covenants, dated April 30, 2012, and recorded May 9, 2012 under Douglas County Auditor's No. 3159788, as they now exist or are hereafter amended; and

4. To enforce and administer the easement rights set forth in the Declaration of Easement and Covenants recorded May 20, 2014, under Douglas County Auditor's File No. 3178192, and the Covenants, Conditions, Restrictions and Agreements set forth in the Statutory Warranty Deed recorded May 20, 2014 under Douglas County Auditor's File No. 3178193.

5. To take any lawful action necessary, appropriate or desirable to carry out the above purposes, and any other power or purposes provided or permitted by Washington State Law.

ARTICLE IV. MEMBERS

The single class of Members of this Association shall be the individuals or entities holding the following interests of record: (a) fee simple title to any Lot that is part of the Property, or (b) a contract purchaser to a real estate contract to any Lot that is part of the Property.

Although the Association reserves the right to levy assessments as set forth in the Declaration, no consideration shall be paid by an individual or entity to this Association in exchange for a membership because membership arises as set forth above. In the case of dissenting Member(s), the value of each and every membership in this Association shall be set at zero and the dissenting Member shall be limited to the return of consideration paid to the Association for the dissenting member's membership in the Association, which is also zero.

ARTICLE V. VOTING RIGHTS OF MEMBERS

There shall be one vote for each Lot in the Association (a total of 27 votes). A Member shall be entitled to one vote in the Association for each Lot owned. The qualifications and voting rights of Members may also be governed by the provisions of the Bylaws and the Covenants mentioned herein.

ARTICLE VI.
DISTRIBUTION OF ASSETS ON DISSOLUTION

Upon dissolution of the Association, the Board of Directors shall, after paying or making provisions for the payment of all liabilities of the Association, distribute the remaining assets of the Association to the Members, pro rata according to their voting interest, as tenants in common.

ARTICLE VII.
REGISTERED AGENT

Name

Address

Ogden Murphy Wallace, PLLC

One 5th Street, Suite 200
Wenatchee, WA 98801

ARTICLE VIII.
DIRECTORS

The number of directors may be increased or decreased from time to time as provided in the Associations Bylaws. There shall be three (3) directors serving as the Board of Directors who shall be initially appointed by the Declarant, or the successor identified in the Declaration, as amended, and shall or act in the capacity of Directors until the selection of their successors, as provided in the Bylaws.

ARTICLE IX.
DIRECTOR LIABILITY

To the greatest extent permitted by Chapter 24.03, RCW, a director of the Association shall not be personally liable to the Association for monetary damages for conduct as a director, except for liability of the director (i) for acts or omissions that involve intentional misconduct by the director or a knowing violation of law by the director, or (ii) for any transaction from which the director will personally receive a benefit in money, property or services to which the director is not legally entitled. If the Washington Nonprofit Corporations Act authorizes or is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Association shall be eliminated or limited to the fullest extent permitted by the Washington Nonprofit Corporations Act, as so amended.

ARTICLE X.
INDEMNIFICATION

The Association has the power to indemnify, and to purchase and maintain insurance for its directors, officers, committee members, trustees, employees, and other persons and agents and (without limiting the generality of the foregoing) does hereby indemnify its directors against all liability arising from or in connection with service to this Association as a Director to the maximum extent and under all circumstances permitted by law.

**ARTICLE XI.
INCORPORATOR**

The name and address of each incorporator is as follows:

Name

David Zuluaga

Address

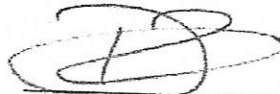
538 Hyacinth Road
Manson, WA 98831

**ARTICLE XII.
AMENDMENT**

The Association reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law.

IN WITNESS WHEREOF the incorporator has affixed his signature on this 17 day of AUGUST, 2016.

INCORPORATOR:




David Zuluaga

CONSENT TO APPOINTMENT AS REGISTERED AGENT

Ogden Murphy Wallace, PLLC (OMW) hereby consents to serve as Registered Agent, in the State of Washington, for the corporation herein named. OMW understands that as agent for the corporation, it will be OMW's responsibility to receive Service of Process in the name of the corporation; to forward all mail to the corporation; and to immediately notify the Office of the Secretary of State in the event of resignation to act as registered agent or of any change in the Registered Office address of the corporation for which OWM is agent.

DATED this 30 day of August, 2016.

OGDEN MURPHY WALLACE, PLLC

By: 
Peter A. Fraley, Member