

OCEAN GROVE ASSOCIATION BYLAWS (INCLUDING RULES AND REGULATIONS)

ARTICLE I MEMBERSHIP

Section 1. Classes. The membership of the Association shall consist of one class of members

Section 2. Members. The membership of the Association shall consist of all the owners of lots in Ocean Grove Estates, Ocean Grove #2 and Ocean Grove #3. Active members, for notice and voting purposes, shall be those who current assessments are not delinquent.

Section 3. Expulsion of Member. No membership shall be forfeited nor member be expelled except upon foreclosure for non-payment of assessments; provided, however, that the right to vote at membership meetings and the right to use the facilities of the Association shall extend only to members in good standing whose assessments are not delinquent and who are not in breach of any of the Covenants, Bylaws or rules of use of facilities adopted by the Board of trustees (hereafter referred to as the "Board".).

Section 4 Suspension of facility use. In the event that any member of this Association (or family member or member's guest) shall violate the Covenants or Bylaws of this Association, or rules and regulations established by the Board , such member may be prohibited from using the facilities and enjoying the benefits of this Association for such a period as the Board of Trustees shall direct.

ARTICLE II MEETINGS OF MEMBERS

Section 1 Annual Meetings. The annual meeting of the members for election of trustees to succeed those whose terms expire, and for the transaction of such other business as may properly come before the meeting, shall be held each year on the first Sunday in April, at an hour and place to be designated by the Board of Trustees.

Section 2. Special Meetings. Special meetings of the membership for any purpose or purposes may be called at any time by the Association president or by the Board at such time and place as the president or the Board may prescribe. Special meetings of the members may also be called by members having at least one-fifth of the votes entitled to be cast at such a meeting. In the event that such be the case, it shall be the duty of the secretary, upon request by such members, to call a special meeting of the membership to be held at such time and place as the secretary may fix, not less than ten nor more than 50 days after the receipt of said request, and if the secretary shall neglect or refuse to issue such call within five days of such receipt, the members making the request may issue the call, specifying therein the time and place of the meeting.

Section 3. Notice of Meetings. Written or printed notices stating the date, place and hour of the meeting and, in the case of a special meeting, the purpose(s) for which the meeting is called shall be delivered to each member entitled to vote at such meeting not less than ten nor more than 50 days before the date of the meeting. Delivery shall be by personal service, by United States Postal Service (USPS), or by electronic means (email or fax). If mailed, such notice shall be

deemed to be delivered when deposited with the USPS, addressed to the member at an address that appears in the records of the Association, with postage thereon prepaid.

Section 4. Quorum A quorum shall consist of the number of members present, however, proposed actions that require an expenditure of funds shall be placed before the entire membership for approval or rejection. Approval or rejection shall be in accordance with the Covenant language governing such procedures. Members are entitled to one vote for each lot owned and votes may be split among a member's lots. Lots held by the Association may not be voted.

Section 5 Proxies. At any membership meeting, any member may vote by a written, emailed, or faxed proxy.. Such proxy shall be revocable. The proxy may be voted by any designated member in good standing or by the Association secretary, who shall vote the proxy in accordance with the direction of a majority of the Board. The proxy shall direct the vote of the proxy holder except if the proxy is uncommitted the proxy holder may vote at will. Proxies held but not voted shall be counted as voting on the prevailing side of the vote. Proxies held by the secretary shall be received no later than 24 hours prior to the meeting for which the proxy is intended except that proxies delivered to the secretary at the meeting shall be accepted. Proxies received prior to the meeting shall be tallied and the tally may be reported at the meeting prior to the vote. Proxies may be solicited during a meeting recess if such proxies are necessary to conduct the business of the Association.

ARTICLE III BOARD OF TRUSTEES

Section 1. Powers and Qualifications. The affairs of the Association shall be managed by the Board of Trustees, who shall be elected from the active membership of the Association.

Section 2. Number. The number of Association trustees shall not be less than five. The Board, by amendment to these Bylaws, may increase the number of trustees.

Section 3. Election and Term. Each trustee shall be elected for a term of three years.

Section 4. Vacancies. The Board shall have the power to fill any vacancy occurring in the Board, including a position added by an increase in the number of Board members. A trustee appointed to fill a vacancy shall be elected for the unexpired term of the predecessor. Any trustee appointed by virtue of an increase in the size of the Board shall stand for election for a two year term at the next annual membership meeting.

ARTICLE IV MEETINGS OF THE BOARD OF TRUSTEES

Section 1. Annual Meeting. The annual meeting of the Board shall be held at a place, time, and date designated by the Board at its last meeting prior to the annual membership meeting. Such meeting shall be held within 30 days of the annual meeting.

Section 2. Notice of Meetings. No notice of the annual meeting of the Board shall be required. Notice of the time and agenda of meetings of the Board shall be given to each Board member by

the secretary or Association manager at least three days prior to the date of the meeting. Attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except when the trustee attends a meeting for the purpose of objecting to the transaction of business because the meeting is not lawfully called or convened.

Section 3. Quorum. The majority of the Board shall constitute a quorum for the transaction of business. The act of a majority of trustees present at a meeting at which a quorum is present shall be the act of the Board. At any meeting of the Board at which a quorum is present, any business may be transacted and the Board may exercise all of its powers.

Section 4. Actions by Written Consent. Any Association action required or permitted by the Covenants or Bylaw, or by the laws of the State of Washington, to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed, or acceded to by written communication, by all of the members of the Board entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote and may be described as such.

Section 5. Waiver of Notice. Whenever any notice is required to be given to any trustee by the Covenants, Bylaw, or laws of the State of Washington, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE V INDEMNIFICATION OF TRUSTEES, OFFICERS AND AGENTS

Section 1. Each trustee or officer now or hereafter serving the Association and each person who, at the request of or on behalf of the Association, is now serving or hereafter serves as a trustee, director, designated agent, and his respective heirs shall be indemnified by the Association against expenses actually and necessarily incurred in connection with the defense of any action, suit or proceeding in which that person is made a party by reason of being or having been such a trustee, director, officer, or agent, except in relation to matters as to which that person shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties; but such indemnification shall not be deemed exclusive of any other rights to which such person may be entitled under any Bylaw, agreement, vote of the Board, or otherwise.

ARTICLE VI OFFICERS

Section 1. Officers Enumerated. The officers of the Association shall be a president, one or more vice-presidents, a secretary, a treasurer, and such other officers and assistant officers as may be deemed necessary by the Board. Officers shall be elected annually by the Board and shall serve until a successor is duly elected. Two or more offices may be held by the same person except the offices of president and secretary. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the Board may prescribe.

Section 2. President. The president is a trustee of the Association and shall exercise the usual executive powers pertaining to the office and shall preside at meetings of the Board and of the membership.

Section 3. Vice-president. In the absence or disability of the president, the vice president shall act as president.

Section 4. Secretary. It shall be the duty of the secretary to keep records of the proceedings of the Board and of the membership, to administer the membership register, to sign and execute with the president all deeds, bonds, contracts, and other obligations or instruments in the name of the Association.

Section 5. Treasurer. The treasurer shall have the care and custody of, and be responsible for, all funds and investments of the corporation, and shall cause to be kept regular books of account. The treasurer shall cause to be deposited all funds and other valuable effects of the Association in such depositories as may be designated by the Board; in general, to perform all of the duties incident to the office of treasurer. the treasurer shall work in concert with the Association manager to fulfill these responsibilities.

Section 6. Vacancies. Vacancies in any office arising from any cause shall be filled by the Board at any regular or special meeting.

Section 7. Salaries. The salaries of all officers and agents of the Association shall be fixed by the Board.

Section 8. Removal. Any officer elected or appointed may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed; provided, that election or appointment of an officer or agent shall not of itself create contract rights.

ARTICLE VII ADMINISTRATIVE AND FINANCIAL PROVISION

Section 1. Fiscal Year. The fiscal year of the Association shall be April 1 to March 31.

Section 2. Loans Prohibited. No loans shall be made by the Association to any officer to any trustee.

Section 3. Corporate Seal. The Association shall have no corporate seal.

Section 4. Books and Records. The Association shall keep current and complete books and records of account and shall keep the minutes of the proceedings of its members, Board, and committees having any of the authority of the Board, and shall keep at its registered office a register of the names and addresses of its members entitled to vote. All books and the records of the Association may be inspected by any active member or an agent of that member for any proper purpose at any reasonable time.

Section 5. Amendment of Bylaws. These Bylaws may be altered, amended, or repealed by the affirmative vote of a majority of the Board at any annual or special meeting of the Board.

Section 6. Rules of Procedure. The rules of procedure at the meetings of the Board shall be the rules contained in Roberts' Rules of Order on Parliamentary Procedure, as amended, so far as applicable and when not inconsistent with these Bylaws, the Covenants, or with any resolution of the Board.

ARTICLE VIII SPECIAL ASSESSMENTS

Section 1. Members liable for Special Assessments. Association members shall be liable for the payment of such charges or special assessments as may from time to time be fixed and levied upon the membership by resolution of the Board pursuant to the Covenants and these Bylaws and subject to the provisions of said Covenants and Bylaws. Charges and assessments against all members shall be levied by the Board at a uniform rate and shall be collected on a basis to be determined by the Board. All charges or assessments shall be expended pursuant to the Covenants.

Section 2. Two-thirds vote required. No charge or assessment shall become effective until approved or ratified by a two-thirds vote of the memberships at a regular or special meeting called for that purpose.

Section 3. Non-payment of Special Assessments. From time to time as and when any such assessments in this Article are levied and ratified, each member shall pay the amount of such assessment to the Association at such times and in such manner as provided in the resolution of the Board, provided, however, that in no event shall such assessment become payable in fewer than thirty days after the mailing of the notice of such assessment. Each member shall pay all expenses and costs reasonably incurred in enforcing the payment of such assessments. Unpaid assessments, expenses, costs and interest thereon at the prevailing prime rate, shall be a lien upon the property of the member. A member's right to use the Association facilities shall be suspended whenever a lien is filed and restored upon dissolution of the lien.

Section 4. Dues. Dues shall not be considered a special assessment and shall be established by the Board at the time the annual budget is adopted. Collection of dues shall be as specified in the Covenants.

ARTICLE IX USE OF ASSOCIATION FACILITIES

Section 1. The use and enjoyment of Association facilities shall be for members, their immediate families household guests, subject to such rules and regulations as may be adopted by the Board.

ARTICLE X TAXES

Section 1. Taxes assessed against Association property shall be included in the annual budget

ARTICLE XI INSURANCE

Section 1. The Association shall purchase liability insurance for the purpose of protecting members against claims arising from the use of Association facilities or arising from actions or omissions by the Board or its agents.

Section 2 The Association shall purchase liability insurance for the purpose of protecting Board members and their agents against claims arising from actions or omissions of the Board or its agents.

Section 3. Insurance premiums shall be included in the annual budget.

ARTICLE XII BUDGET DEVELOPMENT

Section 1. Timeline. The Board will develop a preliminary budget in January and adopt a final budget in early March. It shall be sent to Association members at least 14 days before the annual meeting at which time the membership shall vote on the adopted budget. An annual audit of the previous year's budget shall be completed no later than July 1 of the year in which the budget closed. Such an audit shall be by a qualified, outside accountant. Revised March 7, 2005

Section 2. Approval. A budget shall be considered ratified unless a majority of all eligible votes is cast in opposition to the budget, as per the Revised Codes of Washington §

Section 3. Definitions.

Capital Assets are invested capital exclusive of accrued interest. Treasury notes shall be valued at their face value, not market value, because they will be redeemed at face value at maturity. CDs will be valued at face value and shall not include accrued interest. Converted non-capital assets. (e.g. water connections, land) will be added to capital assets in proportion to capital-interest expense ratios (i.e. if a water meter is sold, the initial cost of the meter shall be added to capital assets. The cost of the transaction will be subtracted from that asset. The capital gain shall be deemed interest and accessible to the operating budget.)

Capital Reserve is a budgeted fund that receives an annual appropriation is intended for repair or replacement of existing facilities (e.g. beach stairway, RV lights). Because the Capital Reserve may be invested in a CD, available funds will be used for Capital Reserve expenditures until the redemption of the CD, at which time the operating budget will be replenished.

Contingency Fund is a budgeted fund that receives an annual appropriation and is intended for expenditures that reasonably could not have been anticipated. (e.g. insurance rate increase above the projected increase).

Section 4. Funding Sources. Interest, dues, fees, refunds, and a portion (as described above) of converted non-capital assets shall serve as the source of income for funding maintenance, operations, capital improvement and the Capital Reserve fund.

ARTICLE XIII AUTHORITY TO ACT AS TRUSTEES

Section 1. Pursuant to the laws of the State of Washington, the Association is a non-profit corporation and is authorized to act as a trustee.

ARTICLE XIV RULES AND REGULATIONS

1. PROBLEM RESOLUTION Members of the board do not represent relatives or close friends; They should refer problems to the board or to another board member. Persons requesting problem resolution should attempt personal resolution of problem before requesting board assistance. If a problem appears to require more action than the person involved can provide, the board member may request a special board meeting to determine further steps to resolve the problem. *Revised March 7, 2005*

2. FENCES AND LANDSCAPING In accordance with Covenant Section K, Landscaping, Hedges, Fences, Etc., landscaping that includes potential view-blocking trees and street-facing fence plans must be submitted to the building review committee for approval. Fence material should be compatible with homes in the area. Requests for variances from these requirements will be addressed on a case-by-case basis by the Board. *Adopted September 27, 2005*

3. USE OF RV STORAGE FACILITY Section 1. Priority for use shall be as follows: (1) Recreational vehicles (including boats) in frequent or occasional use; (2) Trucks; (3) Utility trailers; (4) Shells; (5) Autos; (6) RVs not in occasional use; and (7) Motorcycles. No commercial vehicles shall be stored. Bylaw changes pertaining to priority shall not apply during the term of an existing agreement. No owner shall have more than two spaces if an owner with no spaces or with one space requests a space. Canopy or shelter installation must be approved by the board. The annual agreement regarding RV storage rules, space assignments, and fees must be signed by the member and an association representative. Rates shall be \$10 per month. Effective April 1, 2007, all stored vehicles and trailers must have current registration and license except for (6) RVs not in occasional use.

Section 2. Overnight storage of RV on residential lot. An owner may keep an RV overnight on a residential lot for no more that 14 consecutive nights subject to the in Covenant Article H. If more than 14 days are required, the owner shall request an extension of the allowable nights with an explanation as to the reason for an extended stay. Such requests may be granted at the discretion of the board or its representative. This provision is not intended to be used serially. There must be reasonable—as determined by the board—intervals.

Section 3. Screening requirements for stored vehicles, equipment. Small boats, campers, camper shells and riding lawnmowers or tractors may remain on a lot provided that they are shielded from view from the street or adjacent lots. If the board determines that a boat, et al, requires screening, the manager shall meet with the owner and relay the decision of the board. After such notice the owner shall have 30 days to provide the required screening or to request the board to reconsider the decision. A request for reconsideration shall include a justification for exemption and shall also include signed agreement by an affected neighbor. Screening from street view shall be at the sole discretion of the board.

Section 4. Enforcement An owner may appeal a decision to the board for reconsideration. If, after reconsideration, the owner is directed to comply with these bylaws such decision shall be final. Failure to comply with these requirement shall result in a written notice of a violation to the lot owner or occupant and the lot owner or occupant shall have fourteen (14) days from the date of receipt of the written notice to take whatever actions are necessary to remedy such violation. If said lot owner shall not comply within said fourteen (14) day period, the Board shall take appropriate actions in accordance with these Bylaws. *Revised April 17, 2015*

CHICKENS Applications to house chickens (limit of three hens) shall be on a board-approved form. It shall describe the enclosure to be used, the protections to be taken against predators, rodents, odor, and noise. The board retains the option to reject all applications, thus, if raising hens creates too many problems the board can terminate the program without another vote on the Covenants. Approval can be withdrawn anytime with a 30-day notice. *Adopted 2009*

SCOTCH BROOM CONTROL This Bylaw shall apply to all unimproved lots in Ocean Grove Estates, Ocean Grove #2, and Ocean Grove #3—known collectively as “Ocean Grove” “Unimproved lots” are defined as lots upon which no structure has been erected and which are not owned by an owner with a residence on an adjacent lot.

Annually, in April, the manager shall notify owners of unimproved lots regarding the flammability of Scotch Broom.

To assist all owners in maintaining their lots on a continuing basis, upon request, the Association gardener will pick up and transport all Scotch Broom that is piled roadside by the lot owner. The Association will cover the costs involved in loading, transporting, and unloading the Scotch Broom while the owner will pay the Jefferson County yard waste recycling fee Bylaw *Adopted July 6, 2012*

TREE CUTTING/TRIMMING ON ASSOCIATION PROPERTY The overall intention of the board is to disallow any cutting on Association property. Written requests for exceptions will be considered. Each request shall be accompanied by a specific plan for cutting that includes justifications and photos. A hold-harmless agreement shall also be provided. The plan shall include a report from a certified arborist that addresses slope stability, tree health, and pertinent considerations. A fee of \$50 will be due upon approval. The arborist or requesting party shall also confirm with Jefferson County as to the need, if any, for a permit. Trees designated for removal must be clearly marked on the site and a board representative shall be on-site at the commencement of cutting to approve plan implementation. All tree removal or trimming shall be performed by a licensed professional. *Adopted 2013*

END OF BYLAWS