

BY-LAWS of EDGEWATER BEACH COMMUNITY CLUB

ARTICLE I PURPOSES

Section 1. This corporation shall be conducted as a non-profit maintenance corporation for purposes set forth in the Amended Articles of Incorporation for use and maintenance as a community facility, the following described real property,

Legal description contained under
Auditor File Number 911003, 911004 and 967059,
Records of Kitsap County, Washington

ARTICLE II MEMBERSHIP

This corporation shall be a membership corporation with members and associate members as follows:

a. Members: Membership in this corporation shall be limited to individuals, to partnerships and corporations holding title to or purchasing under contract of sale real property situated within the platted subdivision of Edgewater Beach Community Club and its additions and shall be transferable only in connection with a sale or transfer of said parcel or portion thereof. No holder of any membership shall sell or transfer any parcel of real property for which the membership held by him has been issued without transferring such membership.

b. Associated Members: If not otherwise a member, each of the following shall be associate members of the corporation:

1. The spouse and children of a member who reside at the same principle residence of the member.
2. Persons who may be tenants or regular occupants of a residence located within the platted subdivision of Edgewater Beach

Community Club or its additions as those terms are defined in the by-laws and rules and regulations of the corporation.

The rights, privileges and obligations of associate members shall be as specified in the by-laws, these articles and the rules and regulations of the corporation.

3. The membership fee in this corporation shall be fixed and determined by its by-laws. The voting power and property rights and interests of each member whose fees are fully paid and who is in good standing shall be equal and each member shall be entitled to one vote only. There shall be no voting by proxy. New members upon their admission in this corporation shall be entitled to one vote and to share in the property of the corporation equally with the old members. When a member has paid his membership in full he shall receive a Certificate of Membership. Assessments against members and a determination of their liability shall be fixed by the by-laws of the corporation.

ARTICLE III

DISSOLUTION

This corporation is organized under and pursuant to the provisions of Section 501.C.7 of the Internal Revenue Code of 1954 and shall be operated exclusively for such purposes as are compatible with those provisions. Upon dissolution of the corporation, the remaining net assets of the corporation shall be distributed among the corporation's members in proportion to their respective net equity interest. Equity interest as herein used refers to the net contributions of the members, including capital improvements, assessments, and dues and maintenance assessments, less losses, expenses, costs of operation and capital expenses. Records of said equity interest shall be maintained by the corporation Treasurer.

ARTICLE IV BOARD of DIRECTORS and OFFICERS

Section 1. Corporation powers of the corporation shall be vested in a Board of Directors. The number of directors who shall manage the affairs of the corporation shall be determined by the membership. At any meeting or special meeting called therefore the members may increase or decrease the number of directors to any number not more than thirteen or less than three.

Section 2. Directors shall be elected to serve two years. At the annual meeting to be held in June the off number of the Board of Directors shall be elected the odd years and the even numbers of directors shall be elected the even years.

Section 3. To be eligible for election as a director, a member must have paid the membership fee and all dues and assessments prior to the annual meeting.

Section 4. In the event a director ceases to be the owner of the land to which his membership is appurtenant, he shall thereby cease to be a director and his office shall become vacant upon written notification without action other than to record such fact upon the minutes of the Board of Directors.

Section 5. At the first meeting of the Board of Directors after each annual meeting of members, the Board of Directors shall elect a president, vice-president, secretary and treasurer. To be eligible for election as president the person must have served a minimum of one year as a member of the Board of Directors. Officers of the corporation so elected shall hold office for the term of one year and until their successors are qualified. The board may also at any time appoint an executive secretary and/or assistant secretary. Any officers may be suspended or removed by a majority vote of all of the Board of Directors.

Section 6. No member of the Board of Directors or officers, except the financial secretary and/or the assistant secretary shall receive any salary or compensations from the corporation. Board of Directors and officers shall have their annual dues credited for their term of office and shall be entitled to reimbursement of expenses incurred in conjunction with conduct of club business.

Section 7. Any vacancy occurring on the Board of Directors shall be filled by appointment of the majority of the remaining directors for the remaining unexpired term. The person so appointed must be eligible for election.

ARTICLE V

MEETINGS

Section 1. Annual meetings of the members of the corporation shall be held at the principal place where the business of the corporation is transacted or at such other place as the Board of Directors may elect. The annuals meetings shall be held on the second Saturday of June of each year at 12:00 noon. Notice thereof shall be given by the secretary by mailing notice to each member no more than 60 days prior and not less than 10 days prior to the date on which such meeting is to be held.

Section 2. Special meetings of the members may be called at any time by the president or a majority of the Board of Directors or by members representing ten percent of the members within the jurisdiction of the corporation. Notice of a special meeting, stating the object thereof, shall be given by the secretary by mailing such notice to each member not less than five days prior to the date on which such meeting is to be held.

Section 3. At all annual and special meetings of the members, majority of all of the members of the corporation in attendance shall constitute a quorum for the transaction of business. Each member shall be entitled to one vote per lot in Edgewater Beach Community Club on which the membership fee(s) and annual dues are currently paid.

Section 4. Special meetings of the Board of Directors shall be called at any time by the secretary on order of the president or a majority of the Board of Directors. The secretary shall give each director notice, personally, verbally, by mail or by telephone, of all regular and special meetings at least one day previous thereto.

Section 5. A quorum of the Board of Directors shall consist of a majority of the board.

Section 6. Members may exercise their vote in writing.

ARTICLE VI POWERS & DUTIES of BOARD of DIRECTORS

Section 1. Subject to limitations in the Articles of Incorporation and the By-Laws and the laws of the State of Washington, all powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board of Directors. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers:

Section 2. To select and remove all agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, with the Amended Article of Incorporation of the By-Laws, fix their compensation and require from them security for faithful service.

Section 3. To conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations therefore consistent with laws, with the Amended Articles of Incorporation of the By-Laws, as they may deem best.

Section 4. To issue certificates of membership to approved members in good standing who have paid the membership fee as set by the directors subject to such conditions or terms as provided by the Amended Articles of Incorporation and the By-Laws.

Section 5. To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of members showing in detail the condition of the affairs of the corporation.

ARTICLE VII

DUTIES OF OFFICERS

Section 1. President. The President shall preside at all meetings of the directors and members, shall sign as president all certificates of membership and all contracts or other instruments in writing authorized by the Board of Directors; shall call special meetings of the directors or of the members whenever deemed necessary, shall have and exercise under the direction of the Board of Directors the general supervision of the affairs of the corporation.

ARTICLE VII DUTIES of OFFICERS (continued)

Section 2. Vice-President. The Vice-President shall preside at all meetints in the absence of the president and in case of the absence or disability of the president shall perform all other duties of the president which are incidental to the office.

Section 3. Secretary. The Secretary shall issue all notices and shall attend and keep the minutes of all meetings, shall have the charge of all corporate books, records and papers, shall be custodian of the corporate seal, shall affix signature and impress with the corporate seal all written contracts of the corporation and shall perform all such other duties as are incidental to the office.

Section 4. Treasurer. The Treasurer shall keep safely all monies and securities of the corporation and disburse the same under the direction of the Board of Directors, shall cause to be deposited all funds of the corporation in a bank selected by the directors, shall issue and present a full statement showing in detail the condition of the affairs of the corporation.

Section 5. The financial secretary and/or assistant secretary shall perform such duties as may be designated by the Board of Directors.

Section 6. Any officer, other than the President and Secretary, may occupy two office concurrently if the board so desires.

ARTICLE VII CERTIFICATES of MEMBERSHIPS & TRANSFERS

Section 1. A Certificate of Membership in the corporation shall be issued to each member upon payment of membership fee and annual dues. All such certificates shall be signed by the president or vice-president.

Section 2. Upon contract to transfer title of property in Edgewater Beach Community Club, the original owner shall bring membership fees and all past dues up to date, shall notify the secretary of the board of directors of the change of membership in the corporation, and the purchaser shall pay a change of membership fee of Two Hundred Fifty Dollars (\$250.00) to the corporation. The secretary shall issue a certificate of membership to the new member of the

corporation, and the new member shall thereafter pay annual dues to the corporation while retaining title to the property in Edgewater Beach Community Club.

ARTICLE IX ANNUAL DUES

Section 1. The members of the corporation shall be liable for the payment of such annual dues as may from time to time be fixed by majority vote of the members in attendance at the annual meeting and levied by the Board of Directors pursuant to the Amended Articles of Incorporation and these By-Laws and subject to the provisions of said Amended Articles and By-Laws. All dues, when collected by the corporation, shall remain the property of the corporation until such time as such monies are expended pursuant to the Amended Articles of the Incorporatin and By-Laws of the corporation. All annual dues are payable within thirty days after the mailing of the notice. No member whose dues are in arrears shall be entitled to share or participate in any of the property or assets of the corporation until all dues are currently paid.

Section 2. First mortgage liens placed upon any said property in the community which are recorded in accordance with the laws of the State of Washington shall be, from the date of the recordation of such superior to such charges and assessments and the liens resulting there from as are levied by the corporation subsequent to the date of recordation of the first mortgage: provided, however that the corporation is notified in writing of such first mortgage within thirty calendar days after recordation of such.

ARTICLE X AMENDMENTS

These By-Laws may be amended at any time by a vote of the majority of the members of the corporation in attendance or submitting vote by letter. Notice of the proposed amendment(s) shall be given no less than 10 days prior to the annual meeting or a special meeting.