

AMENDED AND RESTATED BYLAWS  
EDGEWATER BEACH COMMUNITY CLUB

**ARTICLE I. PURPOSES**

**Section 1.** This Corporation is organized and shall be operated exclusively for the enjoyment, recreation, and association of its members for social purposes within the meaning of Section 501(c)(7) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation shall be conducted as a nonprofit maintenance corporation for purposes set forth in the Amended Articles of Incorporation for use and maintenance as a community facility of the following described real property,

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

**Section 2.** The Corporation shall provide an opportunity for social interaction among its members and shall enforce the Protective Covenants recorded under Kitsap County Auditor Nos. 961512, 1099830 and 0108260026 ("Protective Covenants").

**ARTICLE II. MEMBERSHIP**

**Section 1. Members.**

a. Membership in this Corporation shall be limited to individuals, 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, as set forth in Article VIII. No member shall sell or transfer any parcel of real property for which the membership held by such member has been issued without transferring such membership.

b. The membership fee in this Corporation shall be fixed and determined by Board of Directors. 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. New members upon their admission in this Corporation shall be entitled to one vote. Assessments against members and a determination of their liability shall be fixed by the Bylaws.

c. A member may vote on all matters related to the Corporation in person or by ballot on the day of the annual meeting or special meeting. A ballot box will be provided for members to place their ballot on the day of the annual meeting.

d. ~~e.~~—The Corporation shall maintain adequate and accurate records of the members entitled to vote (the "Voting List"), including the name and address of each member. The Voting List shall be available at the time and place of any meeting of the members for inspection by any member.

**Section 2. Associate Members:**

a. If not otherwise a member, each of the following shall be associate members of the Corporation (“Associate Members”): (1) the spouse and children of a member who reside at the same principal residence of the member; and (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 Bylaws and rules and regulations of the Corporation.

b. The rights, privileges and obligations of Associate Members shall be as specified in these Bylaws, the Articles of Incorporation, the Protective Covenants, and other reasonable rules and regulations of the Corporation. Associate Members shall have no voting rights.

### **ARTICLE III. DISSOLUTION**

Upon dissolution of the Corporation and after payment of all debts and obligations of the Corporation, the remaining net assets of the Corporation shall be distributed among the Corporation’s members in proportion to the total amount of contributions paid by each member to the Corporation. Records of the total contributions shall be maintained by the Treasurer of the Corporation.

### **ARTICLE IV. BOARD OF DIRECTORS**

**Section 1.** The number of directors who shall manage the affairs of the Corporation shall be determined by the members. 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 (13) or less than three (3).

**Section 2.** Directors shall be elected to serve two (2) years. They shall be elected at the annual meeting held in June. .

**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 the membership is appurtenant, such member shall thereby cease to be a director and his or her 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.

**Section 6.** 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. POWERS AND DUTIES OF BOARD OF DIRECTORS**

**Section 1. Powers.** Subject to limitations in the Articles of Incorporation, the Bylaws 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 power to do the following:

a. Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any fee due the Corporation.

b. Collect dues and assessments to be paid by members of the Corporation.

c. Exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation.

d. Appoint and remove at its discretion all officers, agents and employees of the Corporation and prescribe their duties and fix their compensation.

e. Make such expenditures as the Board deems expedient; provided, however, that members of the Corporation by resolution adopted by two-thirds (2/3) vote at any meeting of the members may restrict the amount of expenditures that can be made by the Board of Directors without prior approval of the members. Expenditures authorized by the Board of Directors but not previously authorized by the members in excess of Five Thousand Dollars (\$5,000.00) and any increase in dues or any general assessment to the membership shall not be carried unless approved by a majority of the members at a regular or special meeting of the members.

f. Declare the office of a member of the Board of Directors to be vacant in the event such member ceases to perform the duties specified in Article VII. The successor shall be appointed pursuant to these Bylaws.

g. Act as necessary to further the purpose of the Corporation and employ consultants, advisors, independent contractors or such other employees as they deem necessary.

h.

**Section 2. Duties.** It shall be the duty of the Board of Directors to do, in its discretion, as follows:

a. Keep a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members.

b. Supervise all officers, agents and employees of the Corporation.

c. In the event of common areas, procure and maintain adequate liability and hazard insurance on property owned by the Corporation and to procure and maintain adequate liability insurance for the Directors of the Board of Directors.

- d. Maintain any common areas.
- e. Perform any and all other functions necessary for the maintenance and continuance of the Corporation.

## **ARTICLE VI. MEETINGS**

**Section 1. Annual Meetings of Members.** 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 annual 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, or by electronic means, to each member no more than sixty (60) days and not less than ten (10) days prior to the date on which such meeting is to be held.

**Section 2. Special Meeting of Members.** 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 (10%) of the members 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 (5) days prior to the date on which such meeting is to be held.

**Section 3. Quorum - Member Meetings.** At all annual and special meetings of the members, a 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. Annual Meetings of Board.** Annual meetings of the Board of Directors shall be held in June each year immediately following the annual meeting of the members.

**Section 5. Special Meetings of Board.** 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, email or by telephone, of all regular and special meetings at least one day previous thereto.

**Section 6. Quorum - Board Meetings.** A quorum of the Board of Directors shall consist of a majority of the Board of Directors.

**Section 7. Manner of Voting.** Members may exercise their votes in person or in writing on the day of the annual meeting. Board of Directors may exercise their votes in person or in writing at Board Meetings.

## **ARTICLE VII. OFFICERS**

**Section 1. President.** The President shall preside at all meetings of the Board of Directors and members, shall sign as president all contracts or other instruments authorized by the Board of Directors; shall call special meetings of the directors or of the members whenever deemed

necessary, and shall have and exercise under the direction of the Board of Directors the general supervision of the affairs of the Corporation. To be eligible for election as President, the member 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.

**Section 2. Vice-President.** The Vice-President shall preside at all meetings 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. The Board of Directors may also at any time appoint an executive secretary and/or assistant secretary. The financial secretary and/or assistant secretary shall perform such duties as may be designated by the Board of Directors.

**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, and shall issue and present a full statement showing in detail the condition of the affairs of the Corporation.

**Section 5.** Officers of the Corporation so elected shall hold office for the term of one year and until their successors are qualified

**Section 6.** Any officer may be suspended or removed by a majority vote of the Board of Directors.

**Section 7.** No member of the Board of Directors or officer, except the financial secretary and/or the assistant secretary, shall receive any salary or compensation 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 8.** Any officer, other than the President and Secretary, may occupy two offices concurrently if the Board of Directors so desires.

## **ARTICLE VIII. TRANSFERABILITY**

**Section 1.** 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, as determined by the Board of Directors which is currently set at Two Hundred Fifty Dollars (\$250.00), to the Corporation. The new member shall thereafter pay annual dues to the Corporation while retaining title to the property in Edgewater Beach Community Club.

## **ARTICLE IX. BUDGET AND ANNUAL DUES**

**Section 1. General.** For purposes of establishing an annual budget and fixing the annual assessments against each lot, the Board of Directors shall use a budget year beginning on July 1 of each respective year. At least ten (10) days prior to the annual meeting of the members, the Board shall prepare and transmit to each member a proposed annual budget, which shall be approved by a majority vote of the members in attendance at the meeting. The annual budget shall set forth in estimated common expenses for the ensuing budget year, including maintenance, repair and operation of the common areas, Corporation insurance and administration, and reasonable reserves for contingencies, replacement and improvement of the common areas and related facilities and improvements, considering the current and future needs of the Corporation and taking into account any expected income and any excess surplus available from the prior year.

**Section 2. Time for Payment.** The dues shall be paid to the Corporation by each member upon receiving a statement from the Corporation or its agent showing the amount due and shall be payable on or before thirty (30) days following the date of such statement, unless the Board of Directors, by resolution, provides a different time or method of payment of dues.

**Section 3. Special Assessment.** In addition to the general assessments authorized by this Article, the Corporation may, by Corporation action, levy a special assessment or assessments at any time, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of described capital improvements located upon or forming a part of the common areas, including necessary fixtures and personal property, related thereto, or for such other purpose as the Corporation may consider appropriate; provided, however, that any such assessment must have the prior favorable vote of members representing two-thirds (2/3) of the members voting and/or present at the annual or special meeting. The amount of each member's special assessment for any year shall be the total special assessment for such year, divided by the sum of the number of lots.

**Section 4. Effects of Nonpayment of Assessment.** The amount of such annual or special assessment approved by the members, plus any other charges thereon including twelve percent (12%) interest, fines for violations as assessed by the Board of Directors and costs of collection (including attorneys' fees), if any, shall constitute and become a lien on the lot so assessed when the Board of Directors causes to be recorded with the Auditor of Kitsap County a Notice of Lien which states the amount of such assessment and such other charges, a description of the Lot that has been assessed, and the name of the record owner(s) thereof. Such notice shall be signed by the Secretary of the Corporation on behalf of the Corporation. Upon payment of said assessment and charges in connection with which such lien has been so recorded, or other satisfaction thereof, the Board of Directors shall cause to be recorded a further notice stating the satisfaction and the release of the lien thereof. By accepting a deed to a lot, execution of a contract therefore, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each

member shall be deemed to grant thereby the Corporation, its agents and employees, the right and power to bring all actions against such member personally for the collection of such assessments as a debt, and to enforce the liens created by this Section in favor of the Corporation by foreclosure.

## **ARTICLE X. INDEMNIFICATION**

**Section 1.** The Corporation shall indemnify every person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that the person is or was a director, officer, employee or agent of the Corporation, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding if said person acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that he/she reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

**Section 2.** The Corporation shall indemnify every person who was or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation (including attorneys' fees) actually and reasonably incurred by in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interest of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his/her duty to the Corporation unless and only to the extent that the court in such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

**Section 3.** To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suite or proceeding referred to in subsections 1 and 2 above, or in defense of any claim, issue or matter therein, he/she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection therewith.

**Section 4.** Any indemnification under subsections 1 and 2 above (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a

determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he/she has met the applicable standard of conduct set forth in subsections 1 and 2 hereof. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or (b) if such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or (c) by a majority of the members.

**Section 5.** Expenses incurred in defense of a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the manner provided in subsection 4 upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he/she is entitled to be indemnified by the Corporation as authorized in this section.

**Section 6.** The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any resolution adopted by the members after notice, both as to action in the person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

**Section 7.** Upon the majority vote of a quorum of the Board of Directors, the Corporation may purchase and maintain insurance on the behalf of any person who is or was a director, officer, employee or agent of the Corporation, against any liability asserted against the person and incurred by him/her in any such capacity, whether or not the Corporation shall have indemnified said person against such liability under the provisions of this Article.

## ARTICLE XI. AMENDMENTS

**Section 1.** These Bylaws may be amended at any time by a vote of sixty percent (60%) of the voting members of the Corporation in attendance at an annual or special meeting. Notice of the proposed amendment(s) shall be given not less than ten (10) days prior to the annual meeting or a special meeting.