

ARTICLE 1- MEMBERSHIP

SECTION 1- MEMBER DEFINED

The membership of the corporation shall consist exclusively of the owners of lots in Shore Woods, a recorded plat in Kitsap County, Washington, as such plat was shown on the records of said county on May 1, 1968; consisting of four divisions and 279 lots, exclusive of property owned in common by the membership as a body and exclusive of Lot 7, Division 2, as used for utilities purposes. As used herein, the term “owner” includes the person or entity entitled by deed or contract to occupancy; but shall not include a tenant under lease or rental agreements unless so designated by the leaser having the right of membership. Membership shall be inseparable appurtenant to lots, tracts, and ownership in the above described plat, and upon the making of a contract of sale, membership shall be automatically transferred with the lot to the new owner or purchaser. No membership shall be transferred in any other way. The term “owner” shall include any party otherwise qualified as an owner hereunder, and irrespective of whether such party be natural person, marital community, corporation, partnership, association or other form of entity, provided that as to each such entity and ownership there shall be but one membership per lot.

SECTION 2- DESIGNEES

Unless the Executive Board decides otherwise no certificates of membership need to be issued. A new owner or purchaser shall be come entitled to vote after establishing his ownership or contract interest to the satisfaction of the secretary. The personal representative of a deceased member shall have all that member’s rights, privileges and duties. In the case of corporate or multiple ownerships, including partnerships, associations or joint ventures, the authorized management of such ownership shall, prior to the annual meeting of members and any other meeting of the membership, inform the secretary in writing of its designee, which designee may exercise all rights and privileges of an individual member.

SECTION 3- WITHDRAWAL

No member may withdraw from the corporation except upon transfer of the lot or lots to which his membership is appurtenant. No compensation shall be paid by the corporation upon the transfer of membership and no member whose membership is transferred shall thereafter be entitled to share or participate in any of the property, facilities or benefits provided by the corporation except to the extent of continued membership by reason of ownership of another lot or lots.

ARTICLE II – MEETINGS OF MEMBERS

SECTION 1 – ANNUAL MEETING

The annual meeting of the members of The Corporation shall be held on the second Saturday of March of each year at noon. Such annual meeting will be held at the corporate facilities at Hansville, Washington or at such other place as may be designated by the Executive Board. For the convenience of the membership, the Executive Board may designate a different date for the convening of the annual meeting. If the meeting is

to be held at any place or time other than herein designated, at least fourteen (14) but not more than sixty (60) days written notice of the time and place of such meeting shall be given to all members. Notice to owners by an electronic transmission complies with this section only with respect to those owners who have delivered to the secretary or other officers specified in the bylaws a written record consenting to receive electronically transmitted notices. An owner who has consented to receipt of electronically transmitted notices may revoke the consent at any time by delivering a written record of the revocation to the secretary or other officer specified in the bylaws. Consent is deemed revoked if the secretary or other officer specified in the bylaws is unable to electronically transmit two consecutive notices given in accordance with the consent.

SECTION 2 – SPECIAL MEETINGS

Special Meetings of the members may be called by the President or the Secretary or any three members of the Executive Board, of by 25% of the members.

SECTION 3- NOTICE OF MEETINGS

No notice of the regular annual meeting of the members need be given, except as provided in Section 1 of the article. Notice of special meetings of the members of the corporation stating the place, date and hour of the meeting, and the general purpose or purposes thereof, shall be mailed by the Secretary to each member entitled to vote, at least ten (10) and not more than fifty (50) days prior to the date of the special meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid. Notice of any meeting of the members may be waived, in writing, by any member at any time, either before or after the meeting; and attendance at the meeting in person or by proxy shall constitute a waiver of notice of the meeting by the member or members so attending.

SECTION 4- QUORUM

At any meeting of the members of the corporation a quorum shall consist of twenty percent of the members. Provided; that no capital assessment may be adopted by an affirmative vote representing less than 34% of the membership.

If a meeting is recessed to a later date, upon further written notice of at least ten (10) days to the members, a quorum shall be deemed to be present at such reconvened meeting provided that at least one half the number are there present who would regularly constitute a quorum. Attendance at and participation in a meeting may be in person or proxy.

SECTION 5- RECALL PETITIONS

At any time that members feel that any officer, trustee, or standing committee is not performing its specified duties, a recall petition signed by twenty voting members will mandate that the Executive Board hear the allegation and immediately take the action required under these By-Laws. The petition shall quote the applicable paragraph of By-Laws and explain in detail the allegation of non-performance.

ARTICLE III- EXECUTIVE BOARD

SECTION 1- GENERAL POWERS

The affairs of the corporation in the organization and commencement of business shall be managed by an Executive Board consisting of a President, Vice President, Secretary, Treasurer, and all elected Trustees.

SECTION 2- TENTURE, QUALIFICATIONS AND METHODS OF ELECTION

Trustees shall be elected from individuals who are members of the corporation or designees of members as provided under Article 1, Section 2 of these By-Laws. Election of all Trustee positions shall be held at the annual meeting of the members of the corporation. The maximum number of elected Trustees is seven. An elected trustee's position shall expire after a period of three years. In the event of failure to hold an election of any position at any annual members' meeting as provided for by the By-Laws, elections may be held by mail or at a special meeting of the members called for that purpose. Officers shall be elected by the Trustees, at the first Board meeting following each Annual Meeting, and at other times as required to maintain a full slate of active officers. Positions of President, Vice President, Secretary, and Treasurer shall be elected by the Trustees, and may be elected Trustees or members of the corporation not currently serving as Trustees. The term of each officer shall be at the discretion of the electing Trustees. The Executive Board shall consist of all officers and Trustees. In the case in which Trustees elect non-Trustees to officer positions, those officers shall have a vote in matters of the Executive Board.

SECTION 3- VACANCIES

Except as otherwise provided by law, vacancies in the Executive Board, whether caused by resignation, death, disqualification of a member of the corporation, or otherwise, shall be filled by a vote of the Executive Board of the corporation held at a special meeting to be called for this purpose, provided that notice shall be given to all of the members that such vacancy will be filled at such special meeting. A trustee thus elected to fill any vacancy shall hold office until the next scheduled annual meeting of the Members, at which time they may run for election to a three-year term.

SECTION 4- REGULAR MEETINGS

A regular meeting of the Executive Board shall be held without other notice than this By-Law, immediately after and at the same place as the Annual Meeting. Three additional regular meetings of the Executive Board shall be held in public at approximately three-month intervals during the year, scheduled to the convenience of the members of the Board. These meetings shall be publicly noticed by newsletter or posting at the clubhouse at least thirty days in advance.

SECTION 5- SPECIAL MEETINGS

Special meetings of the Executive Board may be called by or at the request of the President or the Secretary or by any three (3) members of the Board. Notice of any special meeting of the Executive Board shall be given at least four (4) days prior to the

meeting by written notice delivered personally or sent by mail, telegram, or e-mail to each trustee at either his address as shown by the records of the corporation, or their designated e-mail address, which notice shall include the general purpose or purposes of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If e-mailed, such notice shall be deemed to be delivered when the recipient responds to the sender of the e-mail. Any Board Member may waive notice of any meeting, either before or after the holding of the said meeting. The attendance of a Board Member at any meeting shall constitute a waiver of notice of such meeting.

SECTION 6- QUORUM

A Majority of the Executive Board shall constitute a quorum for the transaction of business at any meeting of The Board.

SECTION 7- REMOVAL OF BOARD MEMBERS

The entire Executive Board or any individual Board Member, at a special meeting of the members called for that purpose, may be removed from office by a vote for removal by thirty-four (34) percent of the members entitled to vote at any election of Trustees, if The Board or any one or more Trustees is so removed, new Trustees may be elected at the same meeting. Cumulative voting shall not apply to the removal vote.

SECTION 8- POWER AND AUTHORITY OF THE EXECUTIVE BOARD

The Executive Board shall have full power and authority to:

- a) Appoint and remove, at its discretion, all officers, agents and employees of the corporation, and to prescribe their duties and for their compensation;
- b) Make such expenditures as the Board deems expedient; provided, however, that the members of the corporation, by resolution adopted by a two-thirds vote at any meeting of members, may restrict the amount of expenditures which can be made by the Board without prior approval of the members;
- c) Establish and collect dues and assessments to be paid by the members of the corporation; provided; that no assessment in any one year shall exceed 110% of the prior year's assessment without membership approval by vote after prior notice; determine and enforced assessments and charges for operations and maintenance, including appropriate reserves. No dues increase may be adopted by the Board without an affirmative showing in the minutes that the Board has determined such increase is necessary as a result of increased costs and expenses attributable solely to maintenance and upkeep. Power to assess for capital contributions is reserved to the membership.
- d) Manage and conduct the affairs and business of the corporation and generally do and perform or cause to be done and performed any and every act which the corporation may lawfully do and perform; provided, however; that the Executive Board shall not have power to borrow money on behalf of the corporation unless authorized by a majority vote of the members of the corporation at a meeting of the members called for that purpose;

- e) To acquire by conveyance, contract, lease or otherwise, property and rights of occupancy of property for the common benefit of the property of the members of the corporation; to improve said property by the erection of structures, utilities and facilities; to rent the same to members to the corporation or to organizations of members of the corporation, all upon such terms and subject to such rules and regulations as the Trustee's determine;
- f) In the name of the corporation to enforce, collect, and/or foreclose the lien of assessments of the corporation as may be necessary for the collection thereof; to designate representatives to serve as Architectural Control Committee for the property of the members hereof and to enforce the provisions of restrictive covenants and declarations pertaining to the lands served by this corporation, by the institution of litigation or otherwise;
- g) Established procedure, for the use and enjoyment of common facilities, with the power to exclude any member from the use and enjoyment of the facilities and benefits of the corporation for the delinquency in payment of assessments or for failure to comply with the Covenants, Articles of incorporation, By-Lays, or regularly adopted Rules governing use and enjoyment of facilities;
- h) To establish a budget of assessments and expenditures of the corporation and to authorize the expenditure of funds for corporate purposes, including construction and maintenance of improvements, provision of services, payment of taxes upon common property, and accumulation of necessary or appropriate reserves;
- i) Procure and maintain such forms of Insurance as the Board may deem appropriate as to risks pertaining to the corporation or the obligations or interest of its members;
- j) The Executive Board shall not make political or charitable donations of the corporation funds or property;
- k) The Executive Board may designate an Activities Committee Chairman, and authorize an Activities Committee to plan and schedule social activities for the enjoyment of members and their guests. One Trustee shall be appointed to serve as the liaison between the Executive Board and such Activities Committee, to assure conduct of activities in consistency with the Rules and Regulations of the corporation.
- l) The Executive Board may appoint a business manager who may exercise the authority of the Board between formal meetings of the Board, provided that all such authority so exercised shall be reported to the next meeting of the Board and submitted for approval by the Board; failing such approval, such actions of the business manager shall not be effective after the meeting of the Executive Board of which considered, except to the extent that formal continuing undertakings may have been made on behalf of the corporation.
- m) Except as otherwise limited hereby the Executive Board shall have power and may exercise the rights and duties customarily devolving upon a corporate Board of Trustees for any and all purposes not inconsistent with the purposes and powers of the corporation pursuant to the Articles and these By-Lays
- n) The Executive Board shall appoint a financial committee of not less than two (2) people, at least one of whom is not a member of the Board, to review the financial affairs of the corporation not less than once each Year. The committee shall

deliver its written report to the Executive Board, who shall make available copies of the report to the members at the annual meeting.

- o) The Executive Board shall assure that all positions on the Board, Architectural Control Committee, and Financial Committee are staffed at appropriate times by persons actively involved in fulfilling the duties of each office. In the event any such person resigns, becomes inactive for a period of three months without communication the reason and his/her intention to return to active participation, or fail to carry out critical duties of the office, the Board shall assign the duties of the office to another Board Member on a pro-term basis, and activate the appropriate process for naming a replacement. If this action becomes appropriate within six months prior to an annual meeting, a pro-term assignment may be continued until the annual meeting.

ARTICLE IV- OFFICERS

SECTION 1-REMOVAL OF OFFICERS OR TRUSTEES

Any officer or trustee may be suspended or removed by a vote of the five members of the Executive Board, except as provided for in Article III, Section 8(o) of these By-Laws, in which case a simple majority of active members of the Executive Board shall suffice.

SECTION 2- COMPENSATION

No Trustee or officer (except as such Trustee or officer may also be designated as business manager by the Trustees) shall receive any salary or compensation from the corporation, but may receive reimbursement of out-of-pocket expenses incurred in performance of duties for the corporation.

SECTION 3- PRESIDENT

The president shall preside at all meetings of the Board and members and shall have and exercise under his direction of the Executive Board, the general supervision of the affairs of the corporation.

SECTION 4- VICE PRESIDENT

The vice president shall preside at 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.

SECTION 5- SECRETARY

The secretary shall issue notices of meetings and keep the minutes of meetings. In cooperation with the Treasurer, the secretary shall keep a record of the names and addresses of the members and shall have charge of the other necessary records and papers of the corporation. The Secretary shall keep a copy of current documents at his/her residence and also in the corporation file cabinet. All minutes of Board or Membership Meetings shall be posted at the clubhouse for member review within two weeks after the meeting and also placed in the permanent file. Minutes shall contain results of any election and verbatim wording of all actions taken at meetings.

SECTION 6-TREASURER

The treasurer shall keep and maintain or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all times be open to inspection by any members. The treasurer shall keep safely all moneys and securities of the corporation and disburse the same under the direction of the Executive Board. He/she shall cause the funds of the corporation to be deposited in a bank selected by the Trustees. At each annual meeting of the members, and at any time directed by the Trustees, he/she shall issue and present a full statement showing in detail the condition of the affairs of the corporation. In conjunction with the secretary, the treasurer shall maintain a record of the members' names and addresses and shall send notices of assessments and see to the collection thereof, including any delinquencies.

SECTION 7- CONCURRENT POSITIONS

Any officer may occupy two offices concurrently if the Executive Board so directs.

ARTICLE V- INDEMNIFICATION

The Trustees and officers of the corporation shall be indemnified in accordance with RCW 23A.08.025 or such future amendments to Chapter 24.03 RCW as may apply at the time indemnification is sought.

ARTICLE VI- FISCAL YEAR

The fiscal year of the corporation shall be the calendar year.

ARTICLE VII- ASSESSMENTS AND CHARGES

SECTION 1- Assessments may from time to time be assessed by the corporation against its members for the corporate purposes as set forth in the Articles of Incorporation and herein. The assessments shall be levied at a uniform rate as to all lots to which membership in this corporation is appurtenant, without preference of any kind (excepting only special services undertaken for limited areas at the request of the owners thereof on a reimbursement basis; and excepting further such reasonable differential as may be determined by the Executive Board as between the benefits afforded to improved and unimproved lots respectively). Proceed of such assessments shall be expended exclusively for the purposes set forth in the Articles of Incorporation and herein.

SECTION 2- Payment of each assessment and charge shall be due within thirty (30) days after notice of assessment and shall thereafter bear interest for the date of assessment at the highest legal rate of interest applicable on the 31st day after such notice of assessment until paid. The assessment or charge, together with all expenses, attorneys' fees and costs reasonably incurred in enforcing the same, shall be personal obligation of the member assessed, enforceable by the corporation in a court action. The assessments, charges, attorneys' fees and costs shall also constitute a lien against the land owned by the member and which is so assessed or charged and the lien shall be enforceable by foreclosure proceedings in the manner provided by law for foreclosure of real property mortgage liens.

SECTION 3- Notwithstanding any other provisions of the Article, the Executive Board may, for any lawful purpose, and consistent with the purposes of the Corporation as set forth in Article VI, of the Articles of Incorporation, and with the Restrictive Covenants applying to the Plat of Shore Woods, remove from the assessment rolls any lot or lots owned by a public utility or service and used exclusively for the use or benefit, in whole or in part, by the lots contained in the Plat.

ARTICLE VIII- AMENDMENT OF BY-LAWS

These By-Laws may be amended, altered or repealed by a majority vote of the members present at any regular or special meeting of the members if notice of the proposed alteration or amendment is contained in the notice of the meeting; provided, however, that no such amendment shall reduce the requirements for an approving vote of specific matters as set out in Article II, Section 4 of these By-Laws unless the vote approving such amendment shall itself comply with such requirement; nor shall these By-Laws be so modified as to permit assessment, change or lien against members or property owned by them for any purpose other than as herein provided, excepting only as such members, each for himself, may consent thereto in writing.

ARTICLE IX- DISSOLUTION

In the event of the dissolution of the corporation each person who is then a member shall, for each lot then owned by him, receive his pro rate share of the assets after all its debts have been paid.

CERTIFICATE OF ADOPTION

The undersigned Secretary of the SHORE WOODS MAINTENANCE COMMISSION, INC., hereby certifies that the foregoing are the Restated By-Laws of said corporation as regularly adopted and approved by a vote of a quorum of the membership present, in person or by proxy, at the Annual Membership Meeting on April 16, 2016, in accordance with the requirements of the By-Laws of May 14, 1965, as amended May 29, 1989, May 22, 1999, March 23, 2002, March 13, 2004, June 13, 2009, and March 12, 2011.

/s/ EDWARD E. SITES
EDWARD E. SITES, Former Secretary
Currently President, Shore Woods M.C., Inc.

Dated: March 2, 2018
"Nunc Pro Tunc" April 16, 2016