

AMENDED AND RESTATED BYLAWS
OF
BAY RIDGE COMMUNITY
CLUB ASSOCIATION

TABLE OF CONTENTS

1. IDENTIFICATION OF THE COMMUNITY AND ASSOCIATION..... 1

2. DEFINITIONS..... 1

3. PURPOSE AND APPLICABILITY OF BYLAWS..... 1

4. LOT OWNERS ASSOCIATION 2

4.1. Registered Agent and Registered Office 2

4.2. Powers of Association..... 2

4.3. Membership 2

4.3.1. Basic Provisions..... 2

4.3.2. Transfer of Membership 2

4.3.3. Member in Good Standing..... 3

4.3.4. Rights and Privileges of Membership..... 3

4.4. Meetings..... 3

4.4.1. Annual Meeting Required. 3

4.4.2. Place of Meetings 3

4.4.3. Notice of Meetings..... 3

4.4.4. Special Meetings. 4

4.4.5. Quorums..... 4

4.4.6. Order of Business 4

4.4.7. Conduct of Meeting..... 4

4.4.8. Action by Members Without a Meeting..... 4

4.4.9. Remote/Electronic Meetings Authorized..... 4

4.5. Voting 4

4.5.1. Voting Rights 4

4.5.2. Voting at Meetings of the Owners 5

4.5.3. Voting by Proxy..... 5

4.5.4. Action by Members without a Meeting..... 5

4.5.5. Additional Procedures for Voting 5

5. BOARD OF DIRECTORS 5

5.1. Management by Owners’ Board, Qualifications..... 5

5.1.1. Number of Directors 5

5.1.2. Qualifications..... 6

5.1.3. Term..... 6

5.2. Meetings..... 6

5.2.1. Annual Meeting 6

5.2.2. Regular Meetings..... 6

5.2.3. Special Meetings..... 6

5.2.4. Notice and Waiver of Notice 6

5.2.5. Quorum, Participation and Voting..... 7

5.2.6.	Conduct of Meeting	7
5.2.7.	Open Meetings	7
5.2.8.	Action by Directors Without a Meeting	8
5.3.	Vacancies	8
5.4.	Removal of Directors	8
5.5.	Compensation	8
5.6.	Annual Report of the Board of Directors	8
5.7.	Duty of Care	8
5.8.	Duty of Loyalty – Conflict of Interest	9
5.9.	Right to Indemnification	9
5.10.	Board of Directors as Attorney-In-Fact	10
5.11.	Change in Size of Board	10
5.12.	Committees of the Board	11
5.13.	Architectural Control and Maintenance Committee	11
6.	OFFICERS	11
6.1.	Principal Officers	11
6.2.	Election of Officers	11
6.3.	Removal of Officers; Vacancies	11
6.4.	President	12
6.5.	Vice President	12
6.6.	Secretary	12
6.7.	Treasurer	12
6.8.	Compensation of Officers	13
7.	ENFORCEMENT OF COVENANTS	13
7.1.	Authority of the Board	13
7.2.	Abatement of Violations	13
7.3.	Legal Proceedings	13
7.4.	Costs and Attorney's Fees	14
7.5.	Late Charges and Interest	14
7.6.	Fines	14
7.7.	Liability for Conduct Causing Common Expense	14
7.8.	No Waiver of Rights	15
7.9.	Remedies Cumulative	15
7.10.	Pre-Sanction Notice and Hearing Procedures	15
7.10.1.	Notice of Violation	15
7.10.2.	Form and Contents of Request for Hearing	16
7.10.3.	Establishment of a Hearing Date	16
7.10.4.	Hearing Procedures	16
7.10.5.	Default	17
7.10.6.	Continuances	17
7.10.7.	Decision	17
7.10.8.	Alternative Forms of Dispute Resolution Authorized	17
8.	MANAGEMENT OF COMMUNITY	18
8.1.	Management by Board of Directors	18
8.2.	Professional Management	18

8.2.1.	Manager	18
8.2.2.	Management Standards	18
8.2.3.	Scope of Delegation	18
8.2.4.	Management Agreement	19
8.3.	Bank Accounts for Operations and Reserves	19
8.4.	Association Records	19
8.4.1.	Financial Records	19
8.4.2.	Other Records	19
8.4.3.	Ownership of Records, Inspection	19
9.	AMENDMENT OF BYLAWS	20
9.1.	Amendment of Bylaws	20
10.	NOTICE	20
11.	MISCELLANEOUS	20
11.1.	Compliance with Law	20
11.2.	Conflict	20
11.3.	Severability	20
11.4.	Captions	20
11.5.	Gender, Number	21
11.6.	Effective Date	21

AMENDED AND RESTATED BYLAWS OF
BAY RIDGE COMMUNITY CLUB

1. IDENTIFICATION OF THE COMMUNITY AND ASSOCIATION.

The name of the Community is Bay Ridge Estates, which is situated in Whatcom County, Washington, which will hereinafter be referred to as the "Community." The name of the Association is: Bay Ridge Community Club, which will hereinafter be referred to as the "Association," A nonprofit corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, as amended under RCW 24.03A, the "Corporation Act"). The Association shall remain organized as a nonprofit corporation.

2. DEFINITIONS.

All terms used in these Bylaws shall have the same meanings ascribed to them in the Washington Homeowner's Association Act (RCW 64.38), and sections of the Washington Uniform Common Interest Ownership Act (RCW 64.90) that apply to existing communities, (the "Governing Law"), and/or in the Declaration of Rights, Reservations, Restrictions and Covenants of Bay Ridge Estates recorded at Whatcom County Auditor File No. 1241876 , as amended along with the Declaration of Restrictive Covenants recorded at Whatcom County Auditor File No. 940513006 as amended (hereinafter the "Declaration"). The term "Owner", as used hereinafter, refers to an owner of a lot in the Bay Ridge Estates. The term "Owner" as used in the remainder of these Bylaws, shall be deemed the equivalent of the term "Member", unless the context otherwise clearly requires. The term "Governing Documents" shall include the Declaration, these Bylaws, any Rules and Regulations, and the Plat Map recorded at Whatcom County Auditor File No. 1241877.

3. PURPOSE AND APPLICABILITY OF BYLAWS.

This document is intended to entirely replace all existing Bylaws for Bay Ridge Estates. This includes, but is not limited to, the Bylaws of Bay Ridge Community Club recorded at Whatcom County Auditor File No. 921216135 as well as the Amendment to Bylaws of Bay Ridge Estates Community Club recorded at Whatcom County Auditor File No. 1990602382. The Bylaws have been amended in compliance with the provisions of Article XI of the existing Bylaws. These Amended and Restated Bylaws are promulgated to provide for the self-government of Bay Ridge Estates and to promote the safety, health, well-being and enjoyment of its members. The administration and management of Bay Ridge Community Club and the actions of the Owners, the Association and its Board of Directors and Officers shall be governed by these Bylaws. All present and future Owners and their family members, tenants, licensees, invitees, servants, agents, employees and any other person or persons who

are permitted within Bay Ridge Estates shall be subject to these Bylaws and to the Rules and Regulations of the Association. Acquisition, rental or occupancy of a lot shall be deemed conclusive evidence of the Owner's, tenant's or occupant's acceptance and ratification of, and agreement to comply with, these Bylaws, the Declaration, and any Rules and Regulations now existent or hereafter adopted.

4. LOT OWNERS ASSOCIATION.

4.1 Registered Agent and Registered Office.

The Association shall maintain a registered agent to receive legal process and official notices on behalf of the Association, as required by the Corporation Act. The registered agent shall have a business office identical with such registered office. The registered office of the Association shall be located in the State of Washington at such place as may be fixed from time to time by the board of Directors upon filing of such notices with the Secretary of State and elsewhere as may be required by the Corporation Act.

4.2 Powers of Association.

The Association shall have all powers and duties as provided in the Governing Law and Corporation Act.

4.3 Membership.

4.3.1 Basic Provisions. Each fee Owner or real estate contract vendee of a lot in the Community shall be a member of the Association. Ownership of a lot shall be the sole qualification for membership in the Association, and the membership of the Association at all times shall consist exclusively of all the Owners. The ownership of an interest in a lot solely as security for the performance of an obligation does not entitle the owner of such interest to membership in the Association. The term "Owner", as used in the remainder of these Bylaws, shall be deemed the equivalent of the term "Member", unless the context otherwise clearly requires.

4.3.2 Transfer of Membership. Association membership shall be appurtenant to the lot giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said lot and then only to the transferee of title to such lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title (including real estate contract) of a lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new lot Owner thereof.

4.3.3 Member in Good Standing. A Member shall be considered a “Member in Good Standing” when such Member has paid all required dues, charges and assessments owing by such Member, and has not been found to have violated other provisions of the Governing Documents.

4.3.4 Rights and Privileges of Membership. Members in Good Standing shall have the right to vote for Directors of the Association, to vote in general and special Association meetings, and to consent to or dissent from certain extraordinary corporate actions described in the Corporation law. Members in Good Standing, their immediate family members, well-behaved guests and lawful tenants of Owners shall also have the following privileges: (a) to use the common areas of the community and (b) to use any services, utilities and/or facilities provided by the Association for use by its Members. Such rights and privileges are subject to payment of all dues, charges or assessments as may be lawfully imposed by the Board of Directors from time to time and are further subject to remaining in compliance with all other provisions of the Governing Documents. A Member who fails to pay all required dues, charges or assessments, or who is found to have violated other provisions of the Governing Documents in a proceeding conducted under Section 7.10 hereof, shall cease to be a Member in Good Standing and may lose any or all of the foregoing rights and privileges of membership until such time as the Member shall make all required payments and/or satisfy any conditions required of the Member in such proceeding.

4.4 Meetings of the Association.

4.4.1 Annual Meeting Required. A meeting of the Association must be held at least once each year, in June on a date chosen by the Board. The annual meeting of the Association shall be held for the election of Directors and the conduct of such other business as may be properly brought before the meeting. Should the annual meeting date need to be rescheduled, a notice shall be provided to the membership no later than fifteen (15) days prior per the method outlined in section 4.4.3 below.

4.4.2 Place of Meetings. Meetings of the Association shall be held at such place within Whatcom County, Washington or within sixty miles thereof as may be designated by the Board of Directors and stated in the notice of the meeting.

4.4.3 Notice of Meeting. Not less than ten (10) nor more than sixty (60) days before the meeting date, the notice of the meeting shall be sent as set forth in RCW 24.03A.410. The Notice of any meeting must state the time, date, and place of the meeting and the items on the agenda, including:

- (a) The text of any proposed amendment to the Declaration, Articles of Incorporation, or Bylaws;
- (b) Any changes in the previously approved budget that result in a change in the Assessment obligations; and
- (c) Any proposal to remove a Board member.

4.4.4 Special Meetings. Special meetings of the Owners may be called at any time to address any matter affecting the Community or the Association. Such meetings shall be called as prescribed in RCW 24.03A.395 and RCW 24.03A.410.

4.4.5 Quorums. A quorum is present throughout any meeting of the Association if the Members in Good Standing holding at least twenty percent (20%) of the votes in the Association are present in person or by proxy at the beginning of the meeting.

4.4.6 Order of Business. The order of business at a general or annual meeting of the Association shall be as follows: (i) proof of notice of meeting; (ii) determination of the presence of a quorum; (iii) approval of minutes of the previous meeting of the Association; (iv) election of inspectors of election if applicable; (v) election of Directors, if applicable; (vi) reports of the Board of Directors, Officers and committees; (vii) unfinished business; and (viii) new business. Items (iii), (vii) and (viii) shall be omitted from the order of business of a special meeting held for the sole purpose of electing a Director.

4.4.7 Conduct of Meeting. The President shall preside at meetings of the Association and the Secretary shall keep the minutes of meetings, for inclusion in the Association's permanent Minute Book. Roberts Rules of Order, latest edition, shall govern the conduct of all meetings of the Association when not in conflict with the Act, the Declaration or these Bylaws.

4.4.8 Remote/Electronic Meetings Authorized. Meetings may be conducted by telephonic, video, or other remote conferencing process, if the process is consistent with RCW 24.03A.390(5).

4.5 Voting.

4.5.1 Voting Rights. Each Owner in Good Standing has a right to vote at meetings of the Association for the election of Directors and with respect to such other matters that are not within the powers of the Board of Directors as may lawfully come before the meeting. Each owner shall be entitled to one (1) vote on each matter submitted to a vote of the members.

4.5.2 Voting at Meetings of the Owners. At a meeting of Members, the following requirements apply:

(a) Majority Vote Determines Outcome. A majority of the votes cast in person or by proxy at any meeting determines the outcome of any item of business at the meeting.

(b) Use of Absentee Ballot. Whenever proposals are to be voted upon or Board members are to be elected at a meeting, an Owner may vote by duly executed absentee Ballot if the name of each candidate or the text of each proposal to be voted upon are set forth in a writing; and a ballot is provided by the Association for such purpose. When an Owner votes by absentee Ballot, the Association must be able to verify that the Ballot is cast by the Owner having the right to do so.

(c) Use of Written Ballots. In the event that the Board desires to prepare a written ballot for use at a meeting, copies thereof may be served with the notices of such meeting, or may be distributed at the meeting. Generally, written ballots will be utilized for Special Meetings only, as applicable. A written ballot shall not be valid unless it is signed by the Owner and received by the Association on or before the date and time of the meeting at which it is to be counted.

4.5.3 Voting by Proxy. Voting by Proxy at a meeting is allowed subject to the requirements set forth in RCW 24.03A.430.

4.5.4 Action by Members without a Meeting. Any action required or permitted to be taken may be taken without a meeting if all of the Owners of the Association consent in a Record to such action pursuant to RCW 24.03A.475. Such written consent or consents shall be filed with the minutes of the proceedings of the Association.

4.5.5 Additional Procedures for Voting. The Board may by resolution adopt additional procedures, not inconsistent herewith, to assist the Board in maintaining the integrity of the voting process at meetings of the Association

5. BOARD OF DIRECTORS.

5.1 Management by Owners' Board, Qualifications.

5.1.1 Number of Directors. The Association's Board of Directors shall consist of at least three (3) and no more than seven (7) members. Such members of the

Board of Directors shall take office following the adjournment of the meeting at which they were elected, and unless such individuals had run for specific offices in the campaign preceding the election, the Board as a whole shall promptly elect or appoint the Officers of the Association described in Article 6 hereof.

5.1.2 Qualifications. Directors shall be lot owners and Members in Good Standing. The term "Owner" in such context shall be deemed to include any director, officer, partner in, or trustee of any entity which is, either alone or in conjunction with another person or persons, an Owner.

5.1.3 Term. A Director shall serve for a term of one year, and until his or her successor is elected and qualified.

5.2 Meetings.

5.2.1 Annual Meeting. An annual organizational meeting of the Board of Directors may immediately follow the annual meeting of the Association, but in any event shall occur within 10 days after each annual meeting of the Association. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the entire Board is present at the meeting.

5.2.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by the Board of Directors. Any lawful business may be transacted at a regular meeting at which a quorum is present.

5.2.3 Special Meetings. Special meetings of the Board of Directors may be called by the President and shall be called by the President or Secretary on the written request of at least two Directors. Unless all sitting Directors are present at a special meeting, no business other than that stated as the purpose for such special meeting may be conducted at a special meeting.

5.2.4 Notice and Waiver of Notice. Notice of regular or special meetings of the Board of Directors shall be given to each Director by mail, receipted e-mail, receipted telefacsimile, phone or hand-delivery at least 24 hours prior to the time of the meeting, and shall state the date and place and hour of the meeting. Notice of regular meetings may also be given by providing each Board member with a written schedule of regular meetings adopted for the ensuing year at any time after the annual meeting and at least seven days prior to the next succeeding regular meeting. Notice of a special meeting should state the purpose of the meeting. Notice of a meeting of the Board of Directors may be

waived in writing by a Director either before or after the meeting. Attendance at a meeting constitutes waiver of notice of that meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. In a *bona fide* emergency, and if all of the Board members are present and so consent, no notice shall be required and matters relating to the subject of the emergency may be considered at the meeting.

5.2.5 Quorum, Participation and Voting. A quorum is deemed present throughout any meeting of the Board of Directors if persons entitled to cast at least a majority of the votes on the Board of Directors are present at the beginning of the meeting. Any one or more Directors may participate in a meeting thereof by means of a conference telephone or similar communication equipment, allowing all persons participating in the meeting to hear each other at the same time. Each Director shall have one vote, which must be cast in person; proxy voting is not permitted. The votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision or act of the Board of Directors. If less than a quorum is present at a meeting, the majority of those present may recess the meeting to a designated time and place. A recessed meeting may be held as designated upon such further notice as may be necessary to assure attendance when a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

5.2.6 Conduct of Meeting. The President shall preside at meetings of the Board of Directors and the Secretary shall keep the minutes of the proceedings. Following proof of notice, or waiver thereof, and determination of the presence of a quorum, any lawful business may be transacted.

5.2.7 Open Meetings. Except as otherwise provided herein, all meetings of the Board of Directors shall be open for observation by all Owners of record and their authorized agents. Upon the affirmative vote in open meeting to assemble in closed session, the Board may convene in closed executive session to consider personnel matters, to consult with legal counsel or consider communications with legal counsel, or to discuss likely or pending litigation, matters involving possible violations of the Governing Documents, or matters involving the possible liability of an Owner to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board shall restrict its consideration of matters during the closed portions of the meeting to only those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board, following the closed

session, reconvenes in open meeting, reasonably identifies the motion or other action considered in executive session, and votes again in the open meeting on such motion or other action. The requirements of this Section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

5.2.8 Action by Directors Without a Meeting. In a *bona fide* emergency, or to accomplish purely ministerial objectives (such as the signing of banking resolutions) any action required or permitted to be taken may be taken without a meeting if all of the members of the Board of Directors consent in writing to such action. An emergency is defined in RCW 24.03A.145. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

5.3 Vacancies.

A vacancy on the Board of Directors caused by any reason shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall serve until his or her successor is elected. A vacancy occurring on the Board of Directors by reason of an increase in the number of Directors constituting the entire Board of Directors or by reason of the removal of a Director by a vote of the Association shall be filled by the Association at an annual meeting or at a special meeting called for that purpose.

5.4 Removal of Directors.

The removal of directors is governed by RCW 24.03A.530.

5.5 Compensation.

A Director shall not receive compensation from the Association for serving on the Board of Directors, but a Director may be reimbursed for reasonable out-of-pocket expenses incurred by him or her in the proper performance of his or her duties.

5.6 Annual Report of the Board of Directors.

The Board of Directors shall present at each annual meeting of the Association a complete statement of the operative and financial condition of the Community.

5.7 Duty of Care.

A Director shall perform the duties of a Director, including duties as a member of any Committee of the Board upon which the Director may serve, in good faith, in a manner

such Director believes to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. 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 (a) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matter presented; (b) legal counsel, public accountants, or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence; or (c) a Committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Bylaws, as to matters within its designated authority, which Committee the director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

5.8 Duty of Loyalty – Conflict of Interest.

The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and consistent with the purposes set forth in these Bylaws. No contract or other transaction between the Association and any Director, or between the Association and any corporation, firm entity or association in which the Director is an officer or director or is pecuniarily or otherwise interested, shall be either void or voidable because such Director is present at the meeting of the Board of Directors which authorizes or approves the contract or transaction, if the fact of the common directorate or other interest is disclosed or known to the Board of Directors or a majority thereof and noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose. Directors who have a financial interest or other personal interest in the transaction may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction, but such Directors must abstain from voting. If disclosures and decisions are not made as required by this Subsection, the contract or transaction may be voidable at the instance of the Association, and the affected Director may not be insulated from liability for any harm suffered by the Association as a result of entering into the contract or transaction.

5.9 Right to Indemnification.

The Association shall indemnify and hold harmless each of the Directors and Officers from and against all contractual liability to others arising out of contracts made by the Board of Directors or Officers on behalf of the Association or the Owners unless such contract was made in bad faith or contrary to the provisions of the Governing

Documents. The Directors and Officers shall not be personally liable for contracts made by them on behalf of the Association. The Association shall indemnify any 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 by reason of the fact that (s)he is or was a Director or Officer of the Association against amounts paid in settlement incurred by him or her in connection with such action, suit or proceeding if (s)he acted in good faith and in a manner (s)he reasonably believed to be in, or not opposed to, the best interests of the Community or the Association, to the fullest extent authorized by RCW 23B.08.320, and 23B.08.500 through 23B.08.600, and any amendments thereto, irrespective of the fact that the Association is not incorporated under RCW 23B. See RCW 23B.17.030.

5.10 Board of Directors as Attorney-In-Fact.

The Board of Directors is hereby irrevocably appointed as attorney-in-fact for the owners of all of the lots and for each of them, to manage, control and deal with the interests of such owners as to all matters affecting the Community other than those as to which owners' direct participation is required under the Act, so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the provisions of the Act, the Declaration and these Bylaws, and to exercise all of its powers thereunder and to deal with the Property upon its destruction or condemnation and with the proceeds payable under any insurance policy benefitting the Association. This power shall include, but shall not be limited to, the power to grant easements and licenses from time to time affecting the Common Elements, telephone cables, gas lines, storm drains, underground conduits, or such other purposes related to the provision of public utilities or as may be considered necessary or appropriate by the Board of Directors for the preservation of the health, safety, convenience, or welfare of the Owners, or any of them. The foregoing shall be deemed to be a power coupled with an interest, and the acceptance by any person or entity of any interest in any lot shall constitute an appointment of the Board of Directors as such attorney-in-fact. This power shall be in addition to any authority to grant easements or licenses given to the Board of Directors by the Act, the Declaration or these Bylaws.

5.11 Change in Size of Board.

The number of Directors may at any time be increased or decreased by amendment of these Bylaws. If the Owners at any time elect a greater or lesser number of Directors than the number previously constituting the whole Board, then election of the new number shall automatically amend these Bylaws to increase or decrease the size of the Board to the number actually elected, but no decrease shall have the effect of shortening the term of any incumbent Director, nor shall the number of Directors ever be less than three (3) members.

5.12 Committees of the Board.

The Board of Directors may by resolution establish and appoint the members of one or more committees each of which shall consist of two or more Directors and, if desired, one or more Owners who are not members of the Board, subject to the limitations set forth in RCW 24.03A.575(5).

5.13 Architectural Control and Maintenance Committee.

The Board may, in the Board's sole discretion, form an Architectural Control and Maintenance Committee (hereinafter the "ACMC") which shall be composed of no less than three (3) members. The ACMC shall receive, consider and pass upon the plans and specifications of any building, fence or other structure before it is commenced, constructed, placed, remodeled or maintained on any lot of Bay Ridge Estates as presently platted or hereafter to be platted, as well as upon the quality of workmanship and materials, harmony of exterior design with existing structures, and location with respect to topography and finished grade elevation. Within sixty (60) days of the submission of plans to the ACMC for review, the ACMC shall approve or disapprove such plans; and if the ACMC fails to approve or disapprove a plan within the sixty (60) day period, approval shall not be required and the provisions of this Article and the provision of the protective covenants shall be deemed to have been fully complied with. A majority affirmative vote of the ACMC is required before the ACMC shall grant written approval.

6. OFFICERS.

6.1 Principal Officers.

The principal Officers of the Association are a President, a Vice President, a Secretary and a Treasurer. All the principal Officers of the Association must be members of the Board of Directors. Two or more offices may be held by the same person, except the offices of President and Secretary. The Board of Directors may, in its discretion, also elect or appoint such other Officers and assistant Officers as may be deemed necessary. Officers are charged, in general, with responsibility for implementing policy decisions formulated or adopted by the Board of Directors.

6.2 Election of Officers.

The Officers of the Association shall be elected annually by the Board of Directors at its annual organizational meeting.

6.3 Removal of Officers; Vacancies.

An Officer may be removed by the Board of Directors with or without cause by the

affirmative vote of a majority of the entire Board of Directors. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting called for that purpose.

6.4 President.

The President is the chief executive Officer of the Association; (s)he shall preside at meetings of the Association and shall serve as Chair of the Board of Directors; (s)he shall oversee the business of the Association such that the orders and resolutions of the Board of Directors may be carried into effect. The President shall be the Officer authorized and empowered to prepare, execute, certify, and record amendments to the Declaration and Plat Map on behalf of the Association.

6.5 Vice President.

The Vice President shall perform the duties and exercise the powers of the President in the absence or disability of the President and shall perform such other duties as the Board of Directors may prescribe.

6.6 Secretary.

The Secretary shall attend all meetings of the Board of Directors and the Association and shall record the voting and the minutes of all proceedings in a book to be kept for that purpose. (S)he shall give notice of meetings of the Association and the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or the President. The Secretary, with the assistance of the Treasurer, shall compile and keep current at the principal office of the Association all records required by Section 8.4 hereof. The Secretary shall keep current and retain custody of the minute books of the proceedings of the Association and the Board of Directors and should maintain a separate Book of Resolutions containing copies of resolutions of the Board intended to have ongoing or permanent effect.

6.7 Treasurer.

The Treasurer shall exercise control over all funds and securities of the Association except those which are placed under the control of a Manager. The Treasurer shall deposit all funds of the Association in such federally insured financial institution(s) as may be designated by the Board of Directors. (S)he shall disburse funds in accordance with the Association's Budget and as ordered by the Board of Directors. With the assistance of any accountant or Manager employed by the Association, the Treasurer shall keep the books of the Association on an accrual basis, with detailed accounts of the receipts and expenditures affecting the Association, in at least the detail required by Section 8.4 hereof. The books and supporting vouchers and records shall be available

for examination by the Owners, Mortgagees and their duly authorized agents or accountants or attorneys, during regular business hours in the manner set by the Board of Directors. All books and records shall be kept in accordance with generally accepted accounting principles.

6.8 Compensation of Officers.

No Officer shall receive any compensation from the Association for acting as such. An Officer shall be reimbursed for reasonable out-of-pocket expenses incurred in the performance of duties on behalf of the Association.

7. ENFORCEMENT OF COVENANTS.

7.1. Authority of the Board.

The Board of Directors shall have primary responsibility for maintaining and enforcing compliance with the covenants, conditions and restrictions contained in the Declaration. Without limiting the authority and powers conferred upon the Board by the Act, the Board shall have the power and authority specified in this Section of these Bylaws.

7.2. Abatement of Violations.

No violation of any of the Rules and Regulations adopted by the Board of Directors, or breach of any provision of the Governing Documents or the Act shall give the Association the right to enter a lot in which, or as to which, a violation or breach exists or may exist, except in the case of a *bona fide* emergency caused by such violation. FURTHER PROVIDED, that this remedy shall not be utilized when a breach of the peace may ensue or if any items of construction within the lot or any of the Common Areas will be altered or demolished.

7.3. Legal Proceedings.

Failure to comply with any of the terms of the Governing Documents, the Rules and Regulations, or published resolutions of the Board shall be grounds for legal relief, including without limitation, actions to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of Assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the Manager or, if appropriate, by any aggrieved Owner, and shall not constitute an election of remedies.

7.4. Costs and Attorney's Fees.

The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal and in the enforcement of a judgment. In any other proceeding arising out of an alleged default by an Owner under terms of the Governing Documents, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court. In the event that the prevailing party is the Association, the costs and attorney's fees so awarded shall constitute a special assessment against the Owner's lot.

7.5. Late Charges and Interest.

The Board may impose and collect reasonable late charges to encourage prompt payment of assessments. Until changed by resolution of the Board with advice of counsel, the Board may collect a late charge: (a) when any assessment or installment thereof is received by the Association more than ten (10) days beyond the due date of such assessment or installment; (b) in an amount not to exceed \$100. A delinquent assessment shall bear interest from the date on which it was due at the rate of 8% per annum on the date on which the assessment was due.

7.6. Fines.

The Board may impose and collect reasonable fines against Owners or tenants for violations of the Act, the Governing Documents, or the Rules and Regulations of the Association. PROVIDED, however, that no fine may be levied unless (1) the Board has by resolution established a schedule of fines which has been furnished to all Owners prior to the alleged violation, and (2) the allegedly offending Owner has been provided with notice of and an opportunity to be heard at a hearing to be conducted pursuant to Section 7.10 of these Bylaws. The amount of any fine shall be treated as a special assessment against such Owner's lot.

7.7. Liability for Conduct Causing Common Expense.

Each Owner shall be liable via a special assessment for the cost of all maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness, or the act, neglect or carelessness of any member of his or her family or his or her employees, agents, tenants or licensees, but only to the extent that such cost is not covered by the proceeds of insurance carried by the Association. Such liability shall include the amount of the deductible payable under the Association's insurance, along with any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any lot or its

appurtenances. To the extent that any Common Expense is caused by the misconduct of any Owner, the Association may specially assess that expense against the Owner's lot, PROVIDED that no such special assessment may be levied unless the allegedly offending Owner has been provided with notice of and an opportunity to be heard at a hearing to be conducted pursuant to Section 7.10 of these Bylaws.

7.8. No Waiver of Rights.

The failure of the Association, the Board of Directors or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Governing Documents or the Act, shall not constitute a waiver of the right of the Association, the Board or the Owner to enforce such right, provision, covenant or condition in the future.

7.9. Remedies Cumulative.

A suit to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Governing Documents or the Act shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Governing Documents or the Act or at law or in equity.

7.10. Pre-Sanction Notice and Hearing Procedures.

In any cases under Section 7.6 or 7.7 of these Bylaws, where a fine or special assessment for misconduct is proposed, or where the Board proposes to suspend an Owner's Membership in Good Standing status, or in any other case where the Board, in its discretion, deems necessary or advisable, an allegedly offending Owner shall be afforded the opportunity for a hearing by the Board to determine the appropriateness of the action proposed to be taken, in accordance with the following procedures:

7.10.1. Notice of Violation.

A written Notice of Violation shall be prepared and hand-delivered or mailed by registered or certified mail, return receipt requested, to such Owner at his or her last known mailing address. The Notice of Violation shall include:

- (a) A statement, in reasonable detail, of the factual nature of any alleged violations, along with the Section number of any portion of the Governing Documents allegedly violated;

(b) The nature of the action proposed to be taken against such Owner, including the dollar amount of any fine which could be imposed under the Schedule of Fines;

(c) A date by which the Owner must mail or deliver a written Request For Hearing to the Association to contest the imposition of the proposed sanction (which date must be not less than 14 days following the delivery of the Notice of Violation) along with the address to which such Request For Hearing must be sent; and

(d) A date, which is not less than 30 days following the delivery of the Notice of Violation, upon which the sanction would be imposed in the event that no hearing is requested by the Owner.

7.10.2. Form and Contents of Request for Hearing.

The Request for Hearing shall be made in writing, shall be signed by or on behalf of the Owner, and shall contain a brief statement of any reasons known to the Owner that the proposed sanction should not be imposed.

7.10.3. Establishment of a Hearing Date.

In the event that a hearing is requested by an Owner, no sanction may be imposed until the requested hearing is held. Upon receipt from an Owner of a Request For Hearing, a Notice of Hearing shall be prepared and hand-delivered, or mailed to such Owner by registered or certified mail, return receipt requested. The Notice of Hearing shall include the location, date and time of the hearing.

7.10.4. Hearing Procedures.

At the hearing, the President, or his or her designee, shall preside. The hearing shall be conducted generally in accordance with the requirements for Meetings of the Board as provided in Section 5.2 of these Bylaws. Any Director who feels that it would be impossible to be fair, objective and unbiased in the proceedings shall disqualify himself or herself prior to the commencement of the hearing. Both the Owner who is the subject of the hearing and the Association may be represented by counsel. Minutes shall be taken and, if requested by either the Association or the Owner, the hearing may be recorded either stenographically, or by audio or video tape or equivalent means. After receiving proof of the giving of the two Notices required by Sections 7.10.1 through 7.10.3 of these Bylaws, factual evidence in support of the allegation

that a violation has occurred will be received. Live testimony from witnesses with personal knowledge shall be received where practicable. Affidavits or declarations in the form required by RCW 9A.72.085 may, however, be received in lieu of live testimony as the interests of justice may require, and formal adherence to legal rules of evidence shall not be required. Thereafter, evidence from the Owner, in defense or toward mitigation, shall be received. Any rebutting evidence may then be received. Legible copies of all documentary evidence received shall be attached to the minutes of the hearing. At the close of the evidence, both sides shall have the opportunity for legal argument.

7.10.5. Default.

In the event that the Owner fails to appear at the hearing, (s)he may be deemed to be in default, and upon receipt of proof of delivery of both of the Notices required under Sections 7.10.1 through 7.10.3 of these Bylaws, and upon receipt of any satisfactory evidence that establishes the existence of the violation, the Board may render its decision forthwith.

7.10.6. Continuances.

In its discretion, if the interests of justice appear to require, the Board may continue the hearing at the request of either the Owner or any other affected party, for such reasonable period not to exceed thirty (30) days, as may be deemed necessary.

7.10.7. Decision.

The Board may issue its decision at the close of the hearing or may adjourn and render its decision at a later date, not to exceed thirty (30) days following the date of the hearing or any continuation thereof. The decision shall be in writing but need not contain detailed findings of fact or conclusions of law, and shall be delivered or mailed to the Owner and his or her attorney on the date of issuance. The original copy of the decision shall be dated and signed by the presiding Officer and filed among the minutes of the Board of Directors.

7.10.8. Alternative Forms of Dispute Resolution Authorized.

In addition to the rights, remedies and procedures described above, the Association may, with the consent of an affected Owner and/or any other interested party, agree to resolve any dispute through mediation, binding or nonbinding arbitration, or such other alternative dispute resolution mechanism as may be deemed appropriate, at the discretion of the Board.

8. MANAGEMENT OF COMMUNITY.

8.1 Management by Board of Directors.

The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Association

8.2 Professional Management.

8.2.1. Manager. The Board of Directors may employ for the Community a "Managing Agent" or "Manager" (which terms shall be synonymous herein) at a compensation to be established by the Board.

(a) Requirements. Any Manager shall be a *bona fide* person or business enterprise which manages common interest residential communities. Such firm or its principals shall have a minimum of two years' experience in real estate community management and shall employ persons possessing a high level of competence in the technical skills necessary to proper management of the Community and the Property. The Manager must be able to advise the Board of Directors regarding the corporate and administrative operations of the Association and shall employ or retain personnel knowledgeable in the areas of insurance and accounting, contract negotiations, and maintenance of corporate records.

(b) Duties. The Manager shall perform such duties and services as the Board of Directors shall direct. The Manager shall perform all such duties and services relating to the management of the Property, maintaining the Association's records and finances, observing the rights of Mortgagees, administering reserve funds and any and all other management obligations, in compliance with the provisions of the Declaration and these Bylaws.

8.2.2. Management Standards. The Board of Directors shall impose appropriate standards of performance upon the Manager. This includes all obligations set forth in RCW 64.38.045.

8.2.3. Scope of Delegation.

The Board of Directors may delegate to the Managing Agent all of the powers granted to the Board of Directors of the Association by this Declaration other than the powers to amend the Governing Documents or Rules and Regulations,

to make Assessments against lot owners or determine the manner for doing so, to open bank accounts for the Association or to designate the signatories thereon, to borrow money on behalf of the Association, or to acquire any real property or any personal property with a value in excess of Five Hundred Dollars in absence of a special resolution of the Board.

8.2.4. Management Agreement.

In the event that the Board enters into a management agreement with a professional Manager or Managing Agent, said agreement shall be in writing and shall contain provisions authorizing termination of the agreement without penalty by the Owners' Association for cause upon thirty (30) days' written notice or without cause upon ninety (90) days' written notice and shall not exceed a term of one (1) year, renewable by agreement of the parties for successive one-year periods.

8.3 Bank Accounts for Operations and Reserves.

Bank accounts for operations and reserves shall be in accordance with the Governing Law and the Corporation Act.

8.4 Association Records.

8.4.1. Financial Records. The Treasurer, with the assistance of the Association's Manager and accountant, shall keep financial records in accordance with generally accepted accounting principles and as required by law. The accrual method of accounting shall be employed.

8.4.2. Other Records.

The Secretary, with the assistance of the Association's Manager (if any), shall compile and maintain records as set forth in the Corporation Act.

8.4.3. Ownership of Records, Inspection.

All financial records and other books, records and documents of the Association are and shall remain the property of the Association, but except as otherwise provided herein shall be made reasonably available for examination and copying during normal business hours by any Owner or the Association's Manager, or an Owner's authorized agents. The unlisted number of any Owner shall not be released without the consent of such Owner. Materials constituting confidential communications between attorneys employed by the Association and its Officers and Directors need not be disclosed until the matter

constituting the subject of the attorney(s)' engagement has terminated.

9. AMENDMENT OF BYLAWS.

9.1 Amendment of Bylaws.

Amendments to the Bylaws may be adopted by the vote of at least 60% of the Owners present, in person or by proxy, at a duly constituted meeting of the Association at which a quorum is present, or without any meeting if all Owners have been duly notified and Owners holding at least sixty percent (60%) of the total votes in the Association consent in writing to such amendment. All proposed amendments shall be submitted for consideration in writing. Amendments may be proposed by the Board of Directors or by petition signed by Owners representing at least 20% of the votes in the Association.

10. NOTICE.

Notice shall be given in accordance with the Corporation Act.

11. MISCELLANEOUS.

11.1 Compliance with Law.

These Bylaws are set forth in compliance with the Governing Law, the Corporation Act, and the Declaration.

11.2 Conflict.

These Bylaws are subordinate and subject to the Governing Law, the Corporation Act, and the Declaration. In the event of any conflict between these Bylaws and the foregoing, the provisions of the foregoing shall control, in that order of priority.

11.3 Severability.

If any provision of these Bylaws or the application thereof in any circumstances is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby, and to this end the provisions of these Bylaws are declared to be severable.

11.4 Captions.

The captions (section headings) of these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

11.5 Gender, Number.

Whenever in these Bylaws the context so permits, the use of the singular shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

11.6 Effective Date.

These Amended and Restated Bylaws shall become effective immediately.

IN WITNESS WHEREOF, Bay Ridge Community Club Association, a Washington Nonprofit corporation, has caused this instrument to be approved and adopted as the Association's Amended and Restated Bylaws at a duly constituted meeting of the Members of the Association held on March 30, 2022, as attested to by its Secretary this 6th day of April, 2022.

BAY RIDGE COMMUNITY CLUB ASSOCIATION

By Patricia A. Jamason
Secretary