

BYLAWS OF
CHAMBERS BAY DIVISION I HOMEOWNERS ASSOCIATION

ARTICLE 1

OBJECT AND DEFINITIONS

1.1 Purpose

The purpose for which this Association is formed is to govern the subdivision property which is described in Schedule A attached hereto and by this reference made a part hereof, and which property is governed by a Declaration entitled "Easements, Restrictions, Covenants, and Conditions for Chambers Bay Division I" establishing a plan for ownership of lots within the above referenced subdivision (hereinafter referred to as the "Declaration").

1.2 Assent

All present or future owners, tenants, future tenants, or any other person using the facilities of the project in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of any of the lots in the project or the mere act of occupancy of any of said lots shall constitute ratification of these Bylaws.

1.3 Definitions

Unless otherwise specified, all terms shall have the same meaning in these Bylaws as such terms have in the Declaration. The terms "owners" and "members" as used herein shall be synonymous.

ARTICLE 2

MEMBERSHIP, VOTING, MEETINGS AND ADMINISTRATION

2.1 Matters Governed by Declaration

With regard to various matters including membership and voting, reference is made to Article II and III of the Declaration.

2.2 Additional Administrative Provisions

2.2.1 Majority of Owners. As used in these Bylaws the term "majority of owners" shall mean those owners of more than fifty percent (50%) of the lots located in Chambers Bay Division I subdivision.

2.2.2 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of owners holding at least ten percent (10%) of the

total votes under Article III of the Declaration shall constitute a quorum. An affirmative vote of owners holding a majority of the total votes present, either in person or by proxy, shall be required to transact business; provided, however, that no Board member shall be removed unless a majority of owners vote affirmatively therefor.

2.2.3 Proxies. Votes may be cast in person or by proxy. Proxies shall be in writing and the signatures must be witnessed or acknowledged. Proxies must be filed with the Secretary before the appointed time of each meeting. No proxy shall be valid for a period longer than 11 months after the date thereof.

2.2.4 Voting by Mail. The Board may decide that voting of the members shall be by mail with respect to any particular election of the Board or with respect to adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by owners is required by the Declaration or Bylaws, in accordance with the following procedure:

(a) In case of election of Board Members by mail, the existing Board members shall advise the Secretary in writing of the names of proposed Board members sufficient to constitute a full Board and of a date at least 50 days after such advice is given by which all votes are to be received. The Secretary within 5 days after such advice is given shall give written notice of the number of Board members to be elected and of the names of the nominees to all owners of each membership. The notice shall state that any such owner may nominate an additional candidate or candidates, not to exceed the number of Board members to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Association, to be received on or before a specified date 15 days from the date the notice is given by the Secretary. Within 5 days after such specified date the Secretary shall give written notice to all owners of a membership, stating the number of Board members to be elected, stating the names of all persons nominated by the Board and by the members on or before said specified date, stating that each owner may cast a vote by mail and stating the date established by the Board by which such votes must be received by the Secretary at the address of the principal office of the Association, which shall be specified in the notice. Votes received after that date shall not be effective. All persons elected as Board members pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes.

(b) In the case of a vote by mail relating to any other matter, the Secretary shall give written notice to

all owners of each membership which notice shall include a proposed written resolution setting forth a description of the proposed action, and shall state that such persons are entitled to vote by mail for or against such proposal and stating a date not less than 20 days after the date such notice shall have been given on or before which all votes must be received and stating that they must be sent to the specified address of the principal office of the association. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than a majority of the votes entitled to be cast on such question, unless a greater or lesser voting requirement is established by the Declaration or Bylaws for the matter in question.

(c) Delivery of a vote in writing to the principal office of the Association shall be equivalent to receipt of a vote by mail at such address for the purpose of this section 2.2.4.

2.2.5 Adjourned Meeting. If any meeting of the owners cannot be organized because a quorum has not attended, the owners who are present either in person or by proxy, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called.

2.2.6 Order of Business. The order of business at all meetings of the members shall be as follows:

- A. Roll Call.
- B. Proof of Notice of meeting or waiver of notice.
- C. Reading of minutes of preceding meeting.
- D. Reports of officers.
- E. Reports of committees.
- F. Election of Board members (annual meeting only).
- G. Unfinished business.
- H. New business.

ARTICLE 3

MANAGEMENT OF THE ASSOCIATION

3.1 In General

The affairs of the Association shall be governed by a Board of Directors

which, after the initial Board of Directors' term, shall be composed of five (5) members.

3.2 Adoption of Rules and Regulations

The Board of Directors shall adopt, amend, and repeal, if necessary, such administrative rules and regulations covering the details of the operation and use of the subdivision property, subject to the right of members of the Association to overrule the Board.

3.3 Additional Provisions Regarding Board

3.3.1 Election and Term of Office. The members of the first Board of Directors, after the initial Board of three Directors' term has terminated, shall serve for at least a one-year term of office; provided, that at the Association meeting at which the first Board of five members is elected, the owners shall adopt voting procedures designed to assure that the expiration dates for the term of the initial Board members are staggered.

3.3.2 Vacancies. Vacancies in the Board caused by any reason other than the removal of a Board member by a vote of the Association shall be filled by vote of the majority of the remaining Board members, even though they may constitute less than a quorum; and each person so elected shall be a Board member until a successor is elected at the next annual meeting of the Association.

3.3.3 Removal of Board Members. At any regular meeting or at any special meeting called for that purpose, any one or more of the Board members may be removed with or without cause, by a majority of all of the Association members and a successor may then and there be elected to fill the vacancy thus created. Any Board member whose removal has been so proposed by the owners shall be given an opportunity to be heard at the meeting.

3.3.4 Organization Meeting. The first meeting of a newly elected Board shall be held immediately following the annual meeting and no notice shall be necessary to the newly elected Board members in order legally to constitute such meeting.

3.3.5 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Board members, and at least two such meetings shall be held during each fiscal year and one such meeting shall be held immediately following the annual meeting of owners. Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.

3.3.6 Special Meetings. Special meetings of the Board may be called by the President on three days notice to each Board member, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (hereinabove provided), and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Board members.

3.3.7 Waiver of Notice. Before, at or after any meeting of the Board, any Board member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Board members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

3.3.8 Quorum. At all meetings of the Board, a majority thereof shall constitute a quorum for the transaction of business, and the acts of the majority of the Board members present at the meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

3.3.9 Fidelity Bonds. The Board may require that the officers and employees of the Association handling or responsible for Association funds be covered by fidelity bonds. The premiums on such bonds shall be paid by the Association.

3.3.10 Board Fees. Each Board member shall receive such sum as the owners may from time to time determine, plus transportation expenses, for attendance at any regular or special meeting of the Board.

ARTICLE 4

OFFICERS

4.1 Designation

The officers of the Association shall be a President, a Vice-President, a Secretary and Treasurer, all of whom shall be elected by the Board, annually.

4.2 Election of Officers

The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two offices, except that the same person may not concurrently hold the offices of President and Secretary. The office of Vice-President need not be filled. The Board may elect officers from among its members, or otherwise.

4.3 Removal of Officers

Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular or special meeting of the Board called for such purpose.

4.4 President

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board. He shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit association including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

4.5 Vice-President

A Vice-President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties.

4.6 Secretary

The Secretary shall keep the minutes of meetings of the Board and minutes of meetings of the Association; he shall have charge of such books and papers as the Board may direct; and he shall in general perform all the duties incident to the office of Secretary. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their registered mailing addresses. Such list shall also show opposite each member's name the lot number owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

4.7 Treasurer

The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

4.8 Assistant Secretary.

The Board may appoint one or more Assistant Secretaries to perform all of the duties of the Secretary in the absence of the Secretary.

4.9 Assistant Treasurer

The Board may appoint one or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

ARTICLE 5

INDEMNIFICATION OF OFFICERS AND MANAGERS

5.1 Indemnification

The Association shall indemnify every Board member or officer, and his or her heirs, executors and administrators as provided in Article 8 of the Articles of Incorporation. Nothing contained in said Article 8 shall, however, be deemed to obligate the Association to indemnify any member or owner of a lot in the subdivision who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his or her ownership of a lot in the subdivision in lieu of participation as a Board member, officer or manager.

ARTICLE 6

BYLAWS

6.1 Amendments

Bylaws (and amendments thereto) for the administration of the Association property and for other purposes not inconsistent with the intent of the Declaration, shall be adopted by the Association by concurrence of those voting owners holding sixty percent (60%) of the voting power at a regular or special meeting. Notice of the time, place and purpose of such meeting shall be delivered to each lot owner at least ten (10) days prior to such meeting. Adoption, amendment, or repeal of the administrative rules and regulations and pursuant to Section 3.2 shall not be deemed an amendment of these Bylaws.

ARTICLE 7

MORTGAGES

7.1 Notice of Unpaid Assessments

The Association may with acquittance provide at the request of a mortgagee or other security interest holder of a lot owner, a report of any unpaid assessments due from the owner to the Association.

ARTICLE 8

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING
ADDRESS AND REQUIRED PROXIES

8.1 Proof of Ownership

Any person on becoming an owner of a lot in Chambers Bay Division I shall furnish to the Managing Agent or Board a photocopy of a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he or she be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

8.2 Registration of Mailing Address

The owners of each lot shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a lot owner or owners shall be furnished by such owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the owners of the lot or by such persons as are authorized by law to represent the interests of (all of) the owners thereof. If no such address is registered or if all of the owners cannot agree, then the address of the lot shall be the registered address until another registered address is furnished as permitted under this section. Registered addresses may be changed from time to time by similar designation.

9.3 Completed Requirement

The requirements contained in this Article shall be first met before an owner of a lot shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

ARTICLE 10

CONFLICT WITH DECLARATION OR LAW

These Bylaws are intended to comply with and supplement the requirements of the Declaration and the Nonprofit Corporation Act of the State of Washington. If any of these Bylaws conflict with the provisions of said statute or Declaration, the provisions of the statute and Declaration will apply.

ARTICLE 11

NONPROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any members of the Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) any member or Board member may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE 12

FISCAL YEAR

The fiscal year of the Association shall be determined by the Board of Directors.

DATED this 20 day of May, 1981.

DECLARANT:

CHAMBERS BAY DIVISION I HOMEOWNERS
ASSOCIATION

By Paul C. Wulfestieg
Paul C. Wulfestieg, Director

By Thomas J. Westbrook
Thomas J. Westbrook, Director

By Richard E. Dugaw
Richard E. Dugaw, Director