

BY-LAWS OF BUENA VISTA COMMUNITY CLUB

The Buena Vista Community Club, a specific community and subdivision of Camano Island, is located in Island County, State of Washington, in Section 19, Township 32 North, Range 3 East, W.M., and is governed as follows:

SECTION I MEMBERSHIP

A membership entitles the holder to full rights in the Buena Vista Community Club, which include: (1) the right to attend all Club meetings, (2) the right to vote, (3) the right to hold office, (4) a proportional share in all Club assets, (5) the right to use the Club access to Utsalady Beach, and (6) the right to receive water service to their property.

1.1 The Buena Vista Community Club, hereinafter referred to as "BVCC", is a Washington State nonprofit corporation, the properties of which are substantially developed and are no longer under the provisions of its original incorporators.

Members of the BVCC strive to: (1) Maintain and operate a safe and adequate water system that will provide water to its members and to certain predesignated properties immediately to its original boundaries; (2) Maintain a recreational waterfront area owned by BVCC members for their exclusive use; and (3) Promulgate covenants, conditions, and restrictions for the protection of its prime amenities enjoyed now and in the future; (4) Maintain a quality, family-oriented community affording peace and quiet enjoyment to its residents.

The total memberships and water hook-ups in Buena Vista Community Club shall be limited to those existing on October 26, 1991, which are 190 memberships and 193 water hook-ups. Also, water shares and membership transfers (see SECTION 1.4) are restricted to lots within the membership existing as of October 26, 1991.

1.2 Members of BVCC shall be such individuals, co-partnerships, and corporations that are the owners of real property within the boundaries of Buena Vista as described above. All Members are subject to the terms and conditions of the corporation documents including these by-laws.

1.3 A further qualification for membership shall be the execution by the applicant, or the applicant husband and wife, if married, and the acknowledgement and delivery to the association of an application for membership, the form of which is set forth in Exhibit "A" and incorporated by reference herein.

1.4 A membership in BVCC, once granted to the property owner, or property purchaser, may be assigned:

- (a) by execution of proper endorsement for transfer upon the form set forth in exhibit "B" incorporated by reference herein:
- (b) by payment in full of any currently due or delinquent charges or assessments of any nature owing by the assigning member; and
- (c) by delivery of the endorsement to the Secretary for surrender and transfer upon the corporation books of such membership.

1.5 The holders of membership certificates may vote at any meeting of BVCC in person or by absentee ballot. Each member shall be entitled to one vote even though such member may possess several membership certificates. Where more than one person, such as a husband and wife, a partnership, or other group shall possess one certificate, such group, couple or person shall be entitled to only one vote. This By-Law is to specifically and expressly restate the statutory provisions pertaining to membership in nonprofit corporations

providing no person may have any greater voice, vote or authority than another.

1.6 A member of BVCC shall be entitled to a water service connection at such costs and under such terms and conditions as these By-Laws and the Amendments thereto from time to time provide, and under such regulation as are promulgated by the Trustees of BVCC.

1.7 Membership in BVCC shall be evidenced by membership certificate signed by the President or Vice-President and attested by the Secretary and bearing the corporate seal. All certificates shall be serially numbered in the order in which they are issued. A record shall be kept stating the number of the persons to whom the certificate is issued, and the name and number of the former certificate forming evidence of membership. All certificates exchanged or returned to the Club shall be cancelled by the Secretary and kept in an appropriate file. The form of such certificate is set forth in Exhibit "B" attached hereto and incorporated by reference herein.

1.8 In case of loss or destruction of a certificate, the Board may, upon being provided with satisfactory proof of such loss or destruction and proper indemnification arrangements to BVCC, authorize issuance of a duplicate certificate, bearing upon its face the original number and a statement to the effect that it is a duplicate certificate.

1.9 In event of a loss of a membership certificate, or, in the event a member shall sell, transfer or alienate his/her land to which his/her membership certificate pertains and he/she shall refuse to transfer his membership certificate, the Board of Trustees shall have full power, but not the duty, to execute a new certificate of membership to such person or persons who may have acquired the title, ownership, or a property interest in such property formerly owned by a non-assigning member.

1.10 Certificates of membership shall be transferred to a person succeeding to ownership or right to possession under a real estate contract by endorsement in writing and delivery of such certificate by the transferor to the transferee. However, until notice is given of such transfer to the secretary of BVCC and the surrender of the old certificate and issuance of a new certificate in lieu thereof, BVCC shall look to the transferor as being the owner of the membership and BVCC shall have a lien upon property associated with such certificate for unpaid charges and assessments pertaining to the membership real estate, and said certificate shall not be transferred on BVCC records until such charges are first paid and discharged and until the transferee shall sign, acknowledge and deliver to BVCC a proper application for membership. The Trustees may elect to transfer such membership for good cause under Section 9.

1.11 In the event a member should sell a portion of his or her real estate, or grant the right to purchase he/she may present his/her certificate to the secretary of BVCC for re-issue so as to properly show the portion transferred, and upon payment of all current and delinquent charges and assessments, fines and fees with respect to such membership and the receipt and acceptance of an application of a successor for membership pertaining to the property concerned, the transferring member shall be relieved of the obligation to pay charges and assessments with respect to the portion or interest of the membership real estate so transferred.

1.12 Any member may withdraw as a member of BVCC upon surrender of his certificate for cancellation by the secretary of BVCC, provided, however, such withdrawal of membership shall not terminate the liability associated with the real estate owned by him/her, if any, nor terminate or discharge any lien upon the real estate for existing or future charges and assessment.

1.13 The Board of Trustees, by resolution, may for good cause and thirty (30) days notice to interested parties, terminate any membership in case such member ceases to own or be entitled to possession under real estate contract thereto in a membership real estate, but such termination of membership shall not terminate or discharge any existing liens against such membership or relieve real estate of existing or future charges and assessments.

1.14 The handling of Club memberships is covered above in Section 1.9 (Loss and Transfer), Section 1.8 (Loss and destruction), Section 1.10 and 1.11 (Transfer), Section 1.12 (Surrender), Section 1.13 (Termination).

The authority for the transfer of Club memberships shall be:

(a) A member can sell or transfer his/her property, but only the Board of Trustees can issue, transfer or terminate a membership.

(b) Only by simple majority vote of the Club membership can an existing membership be transferred to a property, which did not previously have a membership. If a fee is to be charged for such a transfer of membership, that fee can only be established by the Board of Trustees; and

(c) New memberships can only be established by vote of the Club membership and, if a fee is to be charged for such a new membership, that fee can only be established and collected by the Club.

SECTION II MEETINGS AND ELECTIONS

2.1 Parliamentary procedure shall follow Robert's Rules of Order at all membership and Trustee's meetings.

2.2 The annual meeting of the association shall be held on a Saturday in October set each year by the Board of Trustees and shall be at such hour and place on Camano Island in the County of Island, State of Washington, as the President shall prescribe. Those members physically present and present by absentee ballot shall constitute a quorum. At least fifteen (15) days written notice of the annual meeting shall be given by the secretary to all members. This meeting notice shall include an agenda, which lists the subjects and information planned to be covered at the meeting, and specifically, identify all items which are scheduled to be voted on at the meeting.

Trustees shall be elected at each annual meeting. The election of Trustees shall be by secret written ballot unless otherwise authorized by resolution of the membership then present.

The Board of Trustees shall prepare a budget for the current fiscal year for presentation and approval by the membership at the annual meeting. The Board shall ask for a waiver or approval of a financial audit to be conducted by a Certified Public Accountant.

A Trustee can be removed from the Board of Trustees at the Annual BVCC meeting or any special meeting called for that express purpose, by the same process that is used to elect a Trustee to the Board of Trustees.

2.3 Special meetings of BVCC may be called at any time by the President or by a majority of the Board of Trustees. Representation in person and by absentee ballot shall constitute a quorum for the transaction of business. At least fifteen (15) days written notice of all special meetings, specifically setting forth the business to be brought before the meeting, shall be given by the secretary to all members.

2.4 The order of business at the annual meeting shall be as follows:

1. Introductions
2. Reading of minutes
3. Report of *officers*
4. Report of Trustees
5. Report of committees
6. Unfinished business
7. New business
8. Election
9. Adjournment

The Board of Trustees shall report to the membership on all significant actions taken since the last annual meeting. The current financial report shall be included in the annual meeting and a projection shall be made of the financial condition for the new year. A summary of the minutes of the annual meeting shall be sent to all members after the meeting -- normally included in the mailing of the next annual dues notice. A complete copy of the minutes shall be provided to any member who requests it from the secretary.

SECTION III
Board of Trustees

3.1 The Board of Trustees shall be made up of from five (5) to eight (8) persons. Each Trustee must be a member of Buena Vista except the Secretary. The Secretary need not be a member of BVCC or the board.

3.2 Each Trustee shall be elected as stated in Section 2.2 for a term of three (3) years or until his/her successor shall be elected or qualified. At the annual meeting of members, sufficient Trustees shall be elected to fill vacancies on The Board of Trustees.

3.3 In case any Trustee shall die during his/her term of office, resign, become disqualified or removed from office, or for any other reason removed, the remaining Trustees shall make an effort to appoint a Trustee at a regular or special meeting of the Board to fill the vacancy.

A Trustee missing three (3) meetings in one year is adequate grounds for the Board to vote to discharge and replace that member.

3.4 The Board of Trustees shall meet immediately following the annual membership meeting for election of officers for the new year, and thereafter meet at least quarterly. In addition to other relevant business, the Board shall at this meeting set the amount of the annual dues for the new year.

In advance of each Board meeting, an agenda of subjects to be covered shall be provided to each Trustee. Trustees shall be given the opportunity to vote on all significant actions. Each Board meeting agenda shall include at a minimum; (1) a report from each officer and Trustee on all actions and activities on behalf of the Board; and (2) a financial update report. A quorum of five (5) shall be required to transact business.

3.5 Special meetings of the Board of Trustees may be called at any time by the President on 48 hours notice in writing given to the Trustees by telegram or mail. Special meetings may also be called by any three of the members of the Board on seven (7) days notice in writing given in like manner.

3.6 The Board of Trustees shall have full and complete power to transact any and all lawful business of BVCC consistent with the By-Laws. The Board of Trustees shall have power to amend these By-Laws, however, such amendments shall not become effective until approved and ratified by the membership at the next annual meeting.

3.7 In addition to other powers authorized by law or the Corporation, the Board of Trustees shall make and enforce reasonable rules and regulations governing the operation of the water system, use of corporation property and operation of any other authorized corporate activities. The Board of Trustees shall have the right to establish written enabling policies including fees and fines to enforce the By-Laws. The Board of Trustees shall fix the rate of compensation of employees of BVCC.

3.8 BVCC shall indemnify and hold harmless each of the Trustees and Officers from and against all contractual liability to others arising out of contracts made by the Board of Trustees or Officers on its behalf for the Members unless such contract was made in bad faith. The Trustees and Officers shall not be personally liable for contracts made by them on behalf of BVCC. BVCC 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 Trustee or Officer of BVCC 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 BVCC, to the fullest extent authorized by Washington law as hereafter amended.

3.9 Electronic Notice. Notice, in the form of a record, in a tangible medium, or in an electronic transmission, stating the place, day, and hour of the annual meeting and, in case of a special meeting, the purpose or purposes for which the

meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting, to each shareholder entitled to vote at such meeting. Notice of regular meetings other than annual shall be made by providing each shareholder with the adopted schedule of regular meetings for the ensuing year at any time after the annual meeting and ten days prior to the next succeeding regular meeting and at any time when requested by a shareholder or by such other notice as may be prescribed by the bylaws.

(a) If notice is provided in a tangible medium, it may be transmitted by: Mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or wireless equipment that transmits a facsimile of the notice. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his or her address as it appears on the records of the corporation, with postage thereon prepaid. Other forms of notice in a tangible medium described in this subsection are effective when received.

(b) If notice is provided in an electronic transmission, it must satisfy the requirements of Section (c) below.

(c) Notice to shareholders in an electronic transmission that otherwise complies with the requirements of these Bylaws is effective only with respect to shareholders who have consented, in the form of a record, to receive electronically transmitted notices under this chapter. A shareholder or Trustee who provides consent, in the form of a record, to receipt of electronically transmitted notices shall designate in the consent the message format accessible to the recipient, and the address, location, or system to which these notices may be electronically transmitted. A shareholder or Trustee who has consented to receipt of electronically transmitted notices may revoke the consent by delivering a revocation to the corporation in the form of a record.

(d) The consent of any shareholder or Trustee is revoked if the corporation is unable to electronically transmit two consecutive notices given by the corporation in accordance with the consent, and this inability becomes known to the secretary of the corporation or other person responsible for giving the notice. The inadvertent failure by the corporation to treat this inability as a revocation does not invalidate any meeting or other action.

3.10 Waiver of Notice.

(a) Written Waiver. A shareholder may waive any notice before or after the date and time of the meeting that is the subject of the notice. Except as provided in Paragraphs 3.7.2 and 3.7.3, the waiver must be in writing, signed by the shareholder entitled to the notice, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(b) Waiver by Attendance. A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

(c) Waiver of Objection to Particular Matter. A shareholder waives objection to consideration of a particular matter at a meeting that is not within the purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

SECTION IV Officers

4.1 The officers of BVCC shall consist of a President, Vice President, Secretary, and Treasurer. Each of said officers shall be elected annually by the Board from the membership of the Board of Trustees immediately following the annual meeting of BVCC, all of such officers to hold office for the term of one (1) year or until a successor is elected and qualified. The Board may retain a paid secretary, and in the case the Secretary is also an elected member of the Board may hold the office of Secretary/Treasurer.

4.2 If any office is not filled as provided in these By-Laws or becomes vacant by reason of death, resignation, disqualification, removal from office or any other reason, the Board may fill the vacancy by majority vote.

4.3 The President shall preside at all meetings of BVCC and shall be chairman of the Board of Trustees. He/she shall be the executive officer of the Club and shall perform all duties incident to such executive office and take such executive actions as from time to time he/she may deem to be in the best interest of BVCC.

4.4 In the absence or disability of the President, the Vice-President shall perform the duties and have the authority of the President.

4.5 The secretary shall keep the minutes of the meetings of the Board of Trustees; shall have the custody of BVCC records, corporate seal and membership book, may prepare, execute, certify, and record amendments to the governing documents on behalf of the association, and shall perform all such duties as are reasonable, as from time to time are directed by the President.

4.6 The Treasurer shall have charge of the funds and accounts of BVCC, subject to the direction of the Board of Trustees and the President. He/she shall keep the books of account to adequately set forth the fiscal status and operations of BVCC, and shall render statements in such form as the Board and President shall from time to time require, and perform such other duties incidental to the Office of the Treasurer. He/she shall deposit the funds of BVCC in its name in a bank designated by the Board. The Board, by resolution, may provide for a bond to be posted by the Treasurer indemnifying BVCC for any loss or misuse of funds occurring during the Treasurer's term of office. In the event of the absence or disability of both the President and Vice President, the Treasurer shall perform the duties and have the authority of the President. In the case where the Treasurer is not also the Secretary, the Treasurer will oversee and direct the Secretary's handling of Club financial matters.

4.7 No officer, except the Secretary, shall be paid a salary or shall receive any compensation for services as such an officer, provided, however, that any officer may be entitled to reimbursement for out-of-pocket expenses incurred in the course of business of BVCC; and provided further that such reimbursement shall be approved by resolution of the Board of Trustees.

SECTION V Finances

5.1 The fiscal year of BVCC shall end on the last day of August of each year, and all annual financial statements and reports shall be made so as to include the termination of the last day of such fiscal year.

5.2 Except for expenses incurred in the normal operation of BVCC, no financial obligation or debt shall be incurred by BVCC except by resolution by the Board of Trustees.

5.3 All notes, bills, checks or other evidences of indebtedness of BVCC shall be signed by any two members of the Board of Trustees, generally one of whom is either the President or Vice-President.

SECTION VI Dues, Charges, Assessments; and Manner of Collection and Enforcement

6.1 The expense of operating, maintaining and replacing the water system owned by BVCC, together with the costs of any additions thereto authorized by BVCC, shall be paid for the membership in accordance with Section 6.2; and if such dues, charges and assessments are insufficient, they shall be raised by means of assessments imposed by the Board in the amount and manner hereinafter provided.

6.2 All members are obligated to pay the annual dues, charges, and assessments as set forth in Section 6.1.

6.3 The total amount of funds collected by reason of the aforementioned charges shall be first applied towards the costs of operation, maintenance and replacement of the water system, and taxes on BVCC property; and second, to pay the cost of any addition to the water system and thirdly, to apply toward a reasonable reserve fund to provide for further depreciation of the system and such other reasonably foreseeable expenses as BVCC may likely incur. In event the financial condition of BVCC shall warrant, the Board of Trustees, by resolution, shall reduce the charges made to the members.

6.4 In the event the receipts of annual charges to the membership shall be insufficient to pay for the operation, maintenance and replacement of the water system or such additions authorized by BVCC, the Board of Trustees may levy assessments against the membership in such amounts as shall be reasonably necessary to pay for such costs of operation, maintenance and replacements or additions. The assessments shall be charged equitably and ratably to the members in accordance with the number of platted lots and building sites owned by them. Assessments may be levied successively if the same is warranted by the financial condition of BVCC. Memberships may be subject to higher annual dues if the Board determines an excessive amount of water is being used.

6.5 Annual charges and all assessments levied against members and the membership real estate shall become and remain a lien upon the membership and upon the said membership real estate until the same are paid. No membership shall become transferred until all delinquent and current charges and assessments have been paid.

6.6 The annual charges per building site shall be payable in advance, upon notice from BVCC, and the same shall be delinquent if not paid within thirty (30) days. The Board may add a charge of one percent (1%) per month on the unpaid balance for delinquent accounts. This delinquent charge may be waived by the Board at its discretion.

6.7 All payments on account by delinquent members shall be first credited towards payment of the charges for assessments first becoming due.

6.8 The Board of Trustees shall have the power and authority to discontinue water service after any charge or assessment has been delinquent for sixty (60) days. Discontinuance of services shall not in any manner relieve the owners of the membership from delinquent payments, charges or assessments then or thereafter becoming due nor discharge the lien for any of the same upon the membership or upon the membership real estate. The Board of Trustees is given authority to refrain from restoring water service until all delinquent charges and assessments have been paid.

6.9 The lien for delinquent charges and assessments, together with those charges and assessments accruing during the process of foreclosure, may be foreclosed by action in the Superior Court of the State of Washington for Island County in the manner provided by law for the foreclosure of real estate mortgages; and, in addition to costs provided for by statute, there shall be allowed in the decree of foreclosure such reasonable attorney's fees as the court shall deem proper.

6.10 Each member shall pay the hook-up fee established by the Board for water connection as may be required. This cost shall be paid in advance, the precise sum of which will be established by the Board.

SECTION VII

Notices

7.1 At the time of application for membership, the correct address of the residence of the member applying for a certificate shall be listed with the Secretary. Any notice provided for in these By-Laws shall be sufficient legal notice if mailed to the member at such address in a sealed envelope, postpaid, and deposited with the United States Post Office.

SECTION VIII
Amendments

8.1 The By-Laws of the Corporation may be amended at a meeting of BVCC by a majority of the members present in person or by absentee ballot; or at any meeting of the Trustees by vote of the majority of the Trustees subject to ratification by the membership at the next annual meeting. Notice of such proposal to amend the By-Laws must be given in the notice of any such meeting.

SECTION IX
Dissolution

9.1 In event of the dissolution of BVCC, the assets owned by the Club shall be sold and the proceeds divided as follows:

- (a) Retirement and payment of all security, indebtedness in the order of priority of the liens;
- (b) Preferred indebtedness shall be retired in the order of preference;
- (c) Remaining unsecured or unpreferred indebtedness of BVCC shall be paid, or if sufficient funds are not available, ratably applied to discharge such indebtedness; and
- (d) In the event there shall be any balance remaining, it shall be distributed to the paid up members in good standing in equal shares.

SECTION X
Seal



10.1 The seal of the Corporation shall be in the form affixed and embossed hereon. Exhibits:

- A: Membership Application
- B: Membership Certificate

Originally prepared: September 6, 1960
Revision 1 approved: October 17, 1992
Revision 2 approved: October 16, 1993
Revision 3 approved: October 23, 1999

Revision 4 approved: October 27, 2007
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