

BYLAWS
OF
SHERIDAN BEACH COMMUNITY CLUB

ARTICLE 1: APPLICATION OF BYLAWS

These Bylaws are for the use and operation of the Sheridan Beach Community Club and shall apply to all present and future Lot owners and all others having a full or partial legal or equitable interest in a Lot, mortgagees, lessees, tenants, licensees and occupants of Lots, and their guests, invitees and employees, Associates and any other persons using the Lots or Common Areas. Upon adoption of these Bylaws by the Club all previously adopted Bylaws are hereby revoked effective the date signed below.

ARTICLE 2: DEFINITIONS

2.1 “Associates” means non-Owners who pay the Club for the privilege to use the pool, beach and other facilities for social purposes as determined by the Board.

2.2 “Board” means the Board of Directors of the Sheridan Beach Community Club, a Washington non-profit corporation.

2.3 “Bylaws” means these Bylaws and any amendments thereto.

2.4 “Club” means the Sheridan Beach Community Club, a Washington non-profit corporation and homeowners association, its successors and assigns.

2.5 “Common Area” means property owned or otherwise maintained, repaired or administered by the Club.

2.6 “Declaration” means and shall include the covenants recorded under King County Recording Numbers 2891744, 2961855, 3686448, 3713713 and any amendments thereto.

2.7 “Dues” means all sums chargeable by the Club against a Lot, including regular and special assessments, for common expenses, charges and fines authorized by the Club’s Governing Documents, interest and late fees on delinquent accounts, costs and expenses of collection, attorney fees and costs for enforcing the Governing Documents.

2.8 “Governing Documents” means the organizational documents, Plat, Declaration, Bylaws, Articles of Incorporation, and Rules and Regulations of the Club.

2.9 “Lot” means and refers to any plot of land designated for separate ownership, excluding any property owned by the Club, as shown upon the recorded Plat and any amendments and/or changes thereto.

2.10 “Member” shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Lot or Lots. All owners of a Lot are Members of the Club.

2.11 “Plat” means and includes the Plat for Sheridan Beach, recorded under King County Recording Number 2310390, Sheridan Beach No. 2, recorded under King County Recording Number 2520483, Sheridan Heights, recorded under King County Recording Number 2588887, and Sheridan Heights No. 2, recorded under King County Recording Number 3673186, and any amendment and/or changes thereto.

2.12 “Resident” means any person who currently resides on a Lot as their primary residence with an initial residency period of not less than three months.

ARTICLE 3: REGISTRATION AND VOTING

3.1 Membership. Each owner of a Lot shall automatically become a Member of the Club upon acquisition of an ownership interest in a Lot.

3.2 Voting Rights. The total voting power of the Club at any given time shall equal the number of Lots included within the Plat. Each Lot within the Plat shall be entitled to one vote. If a person or entity owns more than one Lot, they shall have one vote for each Lot owned. Associates do not have voting rights.

3.3 Voting. Members entitled to vote may vote in person or by proxy. No Member who is more than thirty (30) days in arrears on the payment of Dues shall be eligible to vote until such Dues have been paid. The vote for a Lot must be cast as a single vote. The division of the vote allocated to a Lot shall not be allowed. If joint owners of a Lot are unable to agree among themselves as to how their Lot’s vote shall be cast, they shall lose their right to vote on the matter in question. If more than one (1) vote on a matter is cast by different owners of a particular Lot, none of the votes cast for the Lot shall be counted and the votes shall be deemed void; provided that the vote of the Lot shall be counted for the purpose of constituting a quorum.

3.4 Proxies. Proxies must be duly executed by a Member. A Member may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Club. A proxy is void if it is not dated or purports to be revocable without notice. Pursuant to RCW 24.03.085, no proxy shall be valid eleven (11) months after the date of its execution unless otherwise provided in the proxy.

3.5. Registration of Members, Residents and Associates. The Board shall maintain a register containing the names and addresses of the Members, Residents, Associates and the holders of any proxies that have been filed with the Club. A Member who sells or conveys his or her interest in a Lot shall promptly report to the Board or management the name(s) and address(es) of the new owner(s) of the Lot.

3.6. Evidence of Ownership. Any person becoming an owner of a Lot, or acquiring an interest in a Lot entitling that person to exercise voting rights shall provide the Club a copy of the recorded deed or other instrument vesting that person with title to the Lot or an original or certified copy of the instrument vesting that person title to the Lot.

3.7. Registration of Mailing Address. Each Member shall notify the Club of an address in the United States of America to be used by the Club for purposes of notice (“Registered Address”). Multiple owners of a Lot shall designate a single Registered Address to be used by the Club. The Registered Address shall be used for mailing of statements, notices, demands and all other communications. New owners of a Lot shall provide the Registered Address to the Club or manager within five (5) days after receipt of title or interest in a Lot. The registration shall be in written form and signed by the owner of the Lot or the owner’s agent. If no Registered Address is provided or if all of the owners of the Lot cannot agree, then the address of the Lot shall be the Registered Address until the Registered Address is furnished as required under this paragraph. The Registered Address may be changed from time to time by similar designation.

ARTICLE 4: MEETINGS OF MEMBERS; NOTICE OF MEETINGS

4.1. Annual Meeting. There shall be an annual meeting of the Members each year, during the last quarter of the year, on a date and at a time fixed by the Board. At the annual meeting, the Members shall fill vacancies in the Board and there shall be considered such other business as may come before the meeting. There shall be presented a financial statement of the Club in accordance with generally accepted accounting principles. The financial statements of the Club shall be audited at least annually by a certified public accountant unless the votes cast by sixty-seven percent (67%) of the Members, in person or by proxy, at a meeting of the Club at which a quorum is present, vote each year to waive the audit. Annual meetings shall only be open to Members and their authorized agents. Associates and any other non-Members may only attend annual meetings if prior written authorization is received from the Board.

4.2. Special Meetings. Special meetings of the Club may be called by the President, a majority of the Board, or by Members having at least ten percent (10%) of the votes in the Club. Special meetings shall only be open to Members and their authorized agents. Associates and other non-Members may only attend special meetings if prior written authorization is received from the Board.

4.3 Order of Business. The order of business at meetings of the Club shall be as follows unless suspended by a majority of votes cast:

- (a) Call to order.
- (b) Announcement of voting power present.
- (c) Reading and approval of minutes. (Reading can be dispensed with if a copy of the proposed minutes is included in the meeting’s notice.)
- (d) Reports of officers, the Board, and committees.
- (e) Selection of inspectors of election (if necessary).
- (f) Election of directors (annual meeting or special meeting called for such purpose).
- (g) Unfinished business.
- (h) New business.

(i) Adjournment.

4.4. Speaking Limits. At its discretion, the Board may set speaking time limits.

4.5. Place of Meetings. Annual meetings and special meetings must be held within King County, Washington, at a convenient place to Members, as the Board may from time to time designate.

4.6. Notice of Meetings. Not less than fourteen (14) nor more than fifty (50) days in advance of any meeting, the secretary or president shall cause notice to be provided Members as provided in Article 14. The notice of any meeting shall state the time and place of the meeting and the business to be placed on the agenda by the Board for a vote by the Members, including the general nature of any proposed amendment to the Articles of Incorporation, Bylaws, any budget or changes in the previously approved budget, and any proposal to remove a director.

4.7. Quorum. A quorum is present throughout any meeting of the Club if thirty (30) Members are present in person or by proxy at the beginning of the meeting.

4.8. Waiver of Notice. Attendance of a Member at a meeting shall constitute a waiver of notice of the meeting, except where the Member attends for the express purpose of objecting to the transaction of any business because the meeting was unlawfully called or convened.

4.9. Parliamentary Authority. Unless as otherwise may be provided in the Declaration or these Bylaws, meetings are to be conducted in accordance with the most recent edition of Robert's Rules of Order.

ARTICLE 5: BOARD OF DIRECTORS

5.1. Number. The business and affairs of the Club shall be managed by a Board consisting of between seven (7) and seventeen (17) directors with the goal of having at least 4 directors being owners of Lots located in Sheridan Beach or Sheridan Beach No. 2 plats and at least 2 directors being owners of Lots located in Sheridan Heights or Sheridan Heights No. 2 plats.

5.2. Nominations. If a Board term is to expire at the next annual meeting, the Board may select a slate of candidates for the positions to become vacant from Members who submit their name for consideration, which slate shall be sent out with the notice of meeting. Additional nominations from the floor shall always be entertained at meetings of the Club at which elections occur.

5.3. Election. A person receiving the most votes at an election of directors shall be elected regardless of whether such person receives a majority of the votes cast. At the

election of directors each vacancy shall be filled by election separately from the election to fill another vacancy, and nominations shall be made separately for each vacancy.

5.4. Terms. Each director shall serve for a term until the second annual meeting of the Club following his or her election and until his or her successor is elected. Terms of directors shall be staggered so that the term of not more than sixty percent (60%) of the director's positions expire in any year. Notwithstanding anything herein to the contrary, all directors and officers serving at the time these Bylaws are adopted shall continue to serve in their respective positions until the end of the their then existing terms and until such time as their successors shall be duly elected as provided in these Bylaws.

5.5. Regular Meetings. Without other notice than this Bylaw, a regular meeting of the Board shall be held immediately after the annual meeting of Members. Thereafter, 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 directors. The Board may establish a schedule of regular meetings to be held at such place as the Board may designate, in which event, no notice shall be required to be sent to Board members after the schedule has been adopted and notice of the schedule has been provided to all Board members. If no schedule is adopted as provided above, notice of regular meetings of the Board shall be given to each director personally, by mail, telephone, or electronic transmission at least three (3) days prior to the day fixed for such meeting. Notice given by electronic transmission must satisfy the requirements of RCW 24.03.009. Regular meetings, with the exception of executive sessions, shall be open to Members and their authorized agents. Associates and other non-Members may only attend regular board meetings if prior written authorization is received from the Board.

5.6. Special Meetings. Special meetings of the Board may be called by the President, and in his/her absence by the Vice President, or by a majority of directors on five (5) days' notice given to each director in the same manner as regular meetings, which notice shall state the time, place and purpose of the meeting. Notice given by electronic transmission must satisfy the requirements of RCW 24.03.009. Special meetings, with the exception of executive sessions, shall be open to Members and their authorized agents. Associates and other non-Members may only attend special meetings if prior written authorization is received from the Board.

5.7. Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice of that meeting, except where a director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.8. Quorum. At all meetings of the Board, a majority of the total number of directors shall constitute a quorum for the transaction of business and the acts of the majority of the Directors present at a meeting at which a quorum is present shall constitute a decision of the Board.

5.9. Removal. Any director may be removed with or without cause by the affirmative vote of a majority of all Members, at a regular or special meeting of the Club, and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal is proposed may speak to the meeting on that subject. In the event that a director has missed three (3) consecutive meetings of the Board without the Board having excused the absence in advance, his or her office may be declared vacant by the Board.

5.10. Vacancies. Any vacancies in the Board to serve out an unexpired term of a director, caused by any reason other than the removal of a Director by a vote of the Club, shall be filled by the affirmative vote of a majority of the remaining directors, even though they may constitute less than a quorum. A director elected to fill any vacancy shall hold office for the unexpired term of his or her predecessor in office and until such time as a successor is duly elected as provided in the Bylaws.

5.11. Registering Dissent. A director who is present at a meeting of the Board at which action on a matter is taken shall be presumed to have assented to an action unless his or her dissent shall be entered in the minutes of the meeting, or unless he or she shall file his or her written dissent to that action with the person acting as the secretary of the meeting, before the adjournment of the meeting, or shall forward the dissent by certified mail, return receipt requested, to the Secretary of the Club immediately after the adjournment of the meeting. The right to dissent shall not apply to a director who voted in favor of the action.

5.12. Action of Board by Communications Equipment. Members of the Board or any committee designated by the Board may participate at a meeting of the Board or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by such means shall constitute presence in person or at a meeting, as provided in RCW 24.03.120 and as it may be amended from time to time.

5.13. Action by Board without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of directors.

5.14. Indemnification. Each Board member, Club committee member, and Club officer, exercising the powers of the Board, shall be indemnified by the Club and the Members against all expenses and liabilities, including attorney fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party or in which he or she may become involved by reason of holding or having held that position, or which may be threatened against him or her, or any settlement of a proceeding or threatened proceeding, whether or not that person holds the position at the time the expenses or liabilities are incurred, except in those cases in which the person is adjudged guilty of willful or intentional misconduct, self-dealing or bad faith in the performance of

his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Board approves the settlement and reimbursement as being in the best interests of the Club.

ARTICLE 6: OFFICERS

6.1. Number. The principal officers of the Club shall be the President, the Vice-President, the Secretary and the Treasurer, all of whom shall be elected by and from the Board. Such other officers and assistant officers as may be deemed necessary or appropriate may be appointed by the Board for special projects or other duties.

6.2. Election of Officers. The officers of the Club shall be elected by the Board annually at the first Board meeting after the annual meeting of the Club. Any person may hold up to two offices, except for the offices of President and Secretary. The office of Vice President need not be filled. When electing a President, the board shall make it a priority to alternate each year between electing a Member who is an owner of a Lot in the Sheridan Beach or Sheridan Beach No. 2 plat and electing a Member who is an owner of a Lot in the Sheridan Heights or Sheridan Heights No. 2 plat.

6.3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed from their position as an officer but not as a Board member, either with or without cause, and his or her successor may be elected at any regular or special meeting of the Board called for such purpose.

6.4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board for the unexpired portion of the term.

6.5. Officer Job Responsibilities.

- (a) President. The President shall be the chief executive officer of the Club. The President shall preside at all meetings of the Members and of the Board. The President shall have all powers and duties usually vested in the office of the President of a corporation organized under the Non-Profit Corporation Act of the State of Washington.
- (b) Vice-President. The Vice-President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President.
- (c) Secretary. The Secretary shall issue notices for meetings, shall keep minutes of all meetings, issue correspondence, and shall be responsible for maintaining and archiving corporate books and records in accordance with appropriate records retention guidelines, excluding only those corporate records required to be kept

by the Treasurer, and shall make all reports and perform all other duties normally incident to the office, or properly required by the Board.

- (d) Treasurer. The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The Treasurer shall maintain and monitor insurance policies and warranties and be responsible for the deposit of all moneys and other valuable effects in the name of the Club in such depositories as may from time to time be designated by the Board. The Treasurer shall in general, perform all the duties incident to the office of the Treasurer of a corporation organized under the Non-Profit Corporation Act of the State of Washington.

ARTICLE 7: COMMITTEES

The Board may appoint standing or temporary committees, and the Board may from time to time invest the committees with any reasonable powers as it may see fit, subject to any conditions prescribed by the Board. Unless the committee is only authorized to make recommendations to the Board, committees must include at least two (2) Board members and shall keep regular minutes of their meetings. The designation of any committee and the delegation of authority to that committee shall not relieve the Board, or any director, of any responsibility imposed by law. The President and/or the Board shall appoint individuals to serve on Committees.

ARTICLE 8: HANDLING OF FUNDS

8.1. Accounts. The Club shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Club. Overall superintendence of these funds shall be the responsibility of the Treasurer. There shall be at least the following two (2) separate accounts.

8.2. Operating Account. There shall be established an account referred to herein as the "Operating Account". This account will be used for the normal operation of the Club and will receive all Dues and other monies received by the Club. Payments shall be issued from this account for all management and operation expenditures necessary for the Club and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Account. Funds for the Reserve Account will normally be deposited into the Operating Account and withdrawals therefrom then issued to the Reserve Account so an overall account of all funds received and disbursed by the Club is centralized.

8.3. Reserve Account. The Club shall maintain an interest-bearing account which shall be known as the "Reserve Account." The purpose of the Reserve Account will be to provide for the periodic maintenance, repair and replacement of the Common Areas and facilities.

ARTICLE 9: BOOKS AND RECORDS

The Club shall keep financial and other records sufficiently detailed to enable the Club to fully declare to each Member the true statement of its financial status. With the exception of the records stated below, all financial and other records of the Club, including but not limited to the names and addresses of Members and other occupants of the Lots, shall be available for examination by Members at the offices of the Club or its managing agent. Members may be required to pay in advance for any costs incurred by the Club associated with providing access to the records and for any copies.

Records may be withheld from inspection and copying to the extent they concern:

- 9.1 Personnel and medical records relating to specific individuals;
 - 9.2 Contracts, leases, and other commercial transactions to purchase or provide goods or services that are currently being negotiated;
 - 9.3 Existing or potential litigation, mediation, arbitration, or administrative proceedings;
 - 9.4 Potential matters involving federal, state or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;
 - 9.5 Legal advice or communications that are otherwise protected by the attorney-client privilege or attorney work product doctrine, including communications with the managing agent or other agent of the Club;
 - 9.6 Information the disclosure of which would violate a court order or law;
 - 9.7 An executive session of the board;
 - 9.8 Individual Member files other than those of the requesting Member;
 - 9.9 Unlisted telephone numbers or electronic address of any Member or Resident;
 - 9.10 Security access information provided to the Club for emergency purposes;
- and
- 9.11 Any other agreements that for good cause prohibit disclosure.

ARTICLE 10: BOARD POWERS

The Board shall be responsible for the affairs of the Club and shall have all of the powers and duties necessary for the administration of the Club's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles of Incorporation or these Bylaws directed to be done and exercised exclusively by the Members. In addition to, but not in limitation of any other duties, the Board shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following:

10.1 Preparation and adoption of budgets in which the contribution of each Member to the expenses of the Club shall be established;

10.2 Establishing the means and methods of collecting Dues and other charges from Members and Associates;

10.3 Providing for the operation, care, upkeep and maintenance of the Common Area;

10.4 Designating, hiring and dismissing the personnel necessary for the operations of the Club, providing for compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in performing their duties;

10.5 Making and amending rules and regulations;

10.6 Opening bank accounts on behalf of the Club and designating the signatories required;

10.7 Regulating the use, maintenance, repair, replacement and modification of the Common Area;

10.8 Cause additional improvements to be made as a part of the Common Area;

10.9 Grant easements, leases, licenses, and concessions through or over the Common Area and petition for or consent to the vacation of streets and alleys;

10.10 Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Area;

10.11 Make contracts and incur liabilities;

10.12 Assign, pledge, or hypothecate the Club's right to future income, including the right to receive Dues;

10.13 Borrow funds on behalf of the Club. In the event the Club intends to borrow funds in excess of \$25,000, the prior ratification by Members must be obtained as follows:

- (a) The Board must provide notice of the intent to borrow to all Members. The notice must include the purpose and maximum amount of the loan, the estimated amount and term of any Dues required to repay the loan, a reasonably detailed projection of how the money will be expended, and the interest rate and term of the loan.
- (b) The notice must set a date for a meeting of the Members, which must not be less than fourteen (14) and not more than sixty (60) days after mailing of the notice, to consider ratification of the borrowing.

- (c) Unless at that meeting, whether or not a quorum is present, a majority of Members reject the proposal to borrow funds, the Club may proceed to borrow the funds.
- (d) Upon ratification of Members, the Club may levy a special Assessment against each Lot and the owners thereof for that Lot's pro rata share of the funds borrowed, including interest payable thereon, and may assign the Club's right to future income including the right to receive any special Assessment proceeds to banks, other financial institutions, lenders and/or contractors as security for such loans.

10.14 Enforcing by legal means the provisions of the Governing Documents, and bringing any proceedings which may be instituted on behalf of or against the Members concerning the Club;

10.15 Purchase a Lot at a foreclosure sale and to acquire, hold, lease, mortgage, or convey the same;

10.16 Impose and collect charges for late payment of Dues and, after notice and an opportunity to be heard, levy reasonable fines for violations of the Club's Governing Documents.

10.17 Institute, defend, or intervene in litigation or administrative proceedings in its own name on behalf of itself or two or more Members on matters affecting the Club.

10.18 Obtaining and carrying insurance against casualties and liabilities, and any other insurance deemed by the Board to be in the Club's interest and to provide for the premiums and costs thereof;

10.19 Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Area, including but not limited to charging only Members who elect to use specific Club facilities for the costs associated with the use thereof in accordance with rules and regulations established by the Board;

10.20 Paying the cost of all services rendered to the Club;

10.21 Keeping books with detailed accounts of the receipts and expenditures affecting the Club and its administration, specifying the maintenance, repair and other expenses incurred;

10.22 Making available to any prospective purchaser of a Lot, any Member, any first mortgagee, and the holders, insurers and guarantors of a first mortgage on any Lot, current copies of the Declaration, the Articles, the Bylaws, rules governing the Lot and all other books, records and financial statements of the Club;

10.23 Employ for the Club a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may not authorize a professional management contract for a term of more than one year or which contract may not be terminated on ninety (90) days' or less notice; and

10.24 Exercise all other powers that may be exercised in this state by the same type of corporation as the Club and any other powers that are necessary and proper for the governance and operation of the Club.

ARTICLE 11: BUDGETS – DUES

11.1 Budget Ratification. Within thirty (30) days after adoption of any proposed budget by the Board, the Board must provide a copy of the budget to all Members and set a date for a meeting of the Members to consider ratification of the budget not less than fourteen (14) nor more than fifty (50) days after providing the budget. Unless at that meeting Members holding a majority of the votes in the Club vote to reject the budget, in person or by proxy, the budget is ratified, regardless of whether or not a quorum is present.

11.2 Rejection of Budget. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Members shall be continued until such time as the Members ratify a subsequent budget proposed by the Board.

11.3 Contents of Budget. The Budget must include:

- (a) The projected income to the Club by category;
- (b) The projected common expenses and those specially allocated expenses that are subject to being budgeted, by category;
- (c) The amount of the Dues per Lot and the date the Dues are due;
- (d) The current amount of regular Dues budgeted for contribution to the Reserve Account;
- (e) A statement of whether the Club has a reserve study that meets the requirements of RCW 64.90.550 and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and
- (f) The current deficiency or surplus in reserve funding expressed on a per Lot basis.

11.4. Dues. Each Member by acceptance of a deed or recording a contract of sale for a Lot is deemed to covenant and agree to pay Dues as levied from time to time by the Club. Dues are the personal obligation of each Member. In addition, Dues shall be a charge and a continuing lien against each Lot they are assessed against, regardless of whether the lien is reduced to writing and recorded or not. The lien is subject to foreclosure and is exempt from homestead protection under RCW 6.13.080. The Residents of Lots whose

Members' accounts are over sixty (60) days delinquent shall not be entitled to use the pool, park, playground, beach or other Club facilities until all amounts owed to the Club have been paid.

11.5. Late Charges and Interest on Delinquent Dues. The Board may from time to time establish reasonable late charges and a reasonable rate of interest to be charged on delinquent Dues. Unless otherwise established by the Board, the late fee on delinquent Dues shall be twenty-five dollars (\$25.00), which shall be added to any account which is not paid in full on the fifteenth (15th) day of each month. In the absence of another established rate, delinquent Dues shall bear interest at twelve percent (12%) per annum from the date the Dues became delinquent.

11.6. Recovery of Costs, Expenses and Attorney Fees. The Club shall be entitled to recover its costs, expenses and reasonable attorney fees incurred in connection with the collection of delinquent Dues and judicially foreclosing a lien for delinquent Dues under RCW 61.12, whether or not the collection activities result in suit being commenced or prosecuted to judgment. In addition, the prevailing party shall be entitled to recover its costs, expenses and reasonable attorney fees on appeal and in the enforcement of a judgment, whether in the state of Washington or another state.

11.7. Foreclosure of Lien for Unpaid Dues. The lien arising under this Section may be enforced judicially by the Club in the manner set forth in RCW 61.12. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption shall be eight (8) months.

11.8. Voluntary Conveyance – Liability of Grantor and Grantee for Unpaid Common Expenses. In a voluntary conveyance the grantee of a Lot shall be jointly and severally liable with the grantor for all unpaid Dues against the latter for his or her share of Dues up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any such grantee shall be entitled to a statement from the Board setting forth the amount of the unpaid Dues against the grantor and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid Dues against the grantor in excess of the amount therein set forth.

11.9 Involuntary Conveyance – Liability for Unpaid Common Expenses. The holder of a mortgage or the purchaser of a Lot who obtains the right of possession of a Lot through foreclosure shall not be liable for any Dues or installments thereof that became due prior to such right of possession. Such unpaid Dues shall be deemed to be common expenses collectible from all the Members, including such mortgagee or other purchaser of the Lot. Foreclosure of a mortgage does not relieve the prior Member of personal liability for Dues accruing against the Lot prior to the date of the sheriff's deed.

11.10 Nonuse. No Member may exempt himself or herself from liability for their contribution towards Dues by waiver of the use or enjoyment of any of the Common Areas or by abandonment of his or her Lot.

11.11 Remedies Cumulative. The remedies provided for in the Governing Documents are cumulative and the Board may pursue them concurrently and may pursue any other remedies that may be available under law now or in the future although not expressed in the Governing Documents.

ARTICLE 12: COMPLIANCE WITH GOVERNING DOCUMENTS

12.1 Strict Compliance. Each Member, Resident, tenant, and other occupants of a Lot, shall comply strictly with the provisions of the Governing Documents and with all decisions of the Board adopted as provided in the Governing Documents. The acceptance of a deed or conveyance or the entering into occupancy of any Lot shall constitute an agreement that the provisions of the Governing Documents, as they may be amended from time to time, are accepted and ratified by the Member, Resident, tenant, or other occupant, and all provisions of the Governing Documents shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Lot, as though the provisions were recited and stipulated at length in each and every deed, conveyance or lease of the Lot.

12.2 Failure to Insist on Strict Performance Not Waiver. The Board or managing agent shall exercise its business judgment in determining what actions to take in the enforcement of the Governing Documents. The failure of the Board or manager in any one or more instances to insist upon the strict performance of any of the terms, covenants, conditions or restrictions of the Governing Documents, or to exercise any right or option contained in the Governing Documents, or to serve any notice or to institute any action, shall not be construed as a waiver or relinquishment for the future of that term, covenant, condition or restriction, but the term, covenant, condition or restriction shall remain in full force and effect. The receipt by the Board or manager of any Dues from the Member, with knowledge of any breach shall not be deemed a waiver of that breach, and no waiver by the Board of any provision of the Governing Documents shall be deemed to have been made unless expressed in writing and signed by the appropriate officers on behalf of the Board.

12.3 Judicial Enforcement. Failure to comply with a provision of the Governing Documents or a Board decision, following notice of a violation and an opportunity for a hearing, shall be grounds for an action to recover sums due for damage, which shall include any fines levied and any costs incurred by the Club, or for injunctive relief, or both, maintainable by the Board (acting through its officers or manager on behalf of the Members). Nothing contained in the Governing Documents shall be deemed or construed as a waiver of the Club's right to bring an action without first exhausting the Club's internal enforcement procedures in cases where the Board deems immediate legal action to be necessary or appropriate. If the Board fails or refuses, after demand by an aggrieved

Member, to take appropriate action to enforce compliance with any provision of the Governing Documents or any Board decision, an aggrieved Member on his or her own may maintain an action for damages or injunctive relief against the party failing to comply. In any action brought as provided in this Section, the prevailing party shall be entitled to recover as part of its judgment a reasonable sum for attorney fees reasonably incurred in connection with the action, in addition to its expenses and taxable costs, as permitted by law.

ARTICLE 13: ACCESS TO BEACH AND POOL PRIVILEGES

13.1 Members. Members shall have the right to use the beach and other facilities for social purposes as provided in the Sheridan Beach Community Club Rules and Regulations. The Board shall adopt rules and regulations governing the right of Members to use the beach and other facilities which may include limiting the number of Members per Lot that are entitled to use the beach and other facilities and/or adopting fees for a Member's use of said facilities. Members who fail to comply with the Club's Governing Documents or who are over 60 days delinquent in any amount owing to the Club, shall have their privileges revoked without notice.

13.2 Associates. Associates, including non-Member Residents, who apply for the right to use beach and pool and other facilities for social purposes must be approved by the Board. Associates shall not be considered Members of the Club and shall not be entitled to vote on Club matters. Associates shall be charged fees which shall be fixed by the Board. Any Associate who fails to comply with the Club's Governing Documents, or pay any fees or charges due the Club, shall have their privileges revoked without notice and shall not be entitled to a refund of any fees paid.

ARTICLE 14: NOTICE

14.1 Form and Delivery of Notice. Any notice permitted or required to be delivered under the provisions of the Governing Documents may be delivered personally, by electronic means of electronic transmission (email) as provided herein or by first class mail.

14.2 If delivery is made by mail, any notice shall be deemed to have been delivered when a copy has been deposited in the United States mail, first class postage prepaid, addressed to the person entitled to the notice at the Registered Address. Notice to the Member of any Lot shall be sufficient if directed to the Member's Lot if no other address has been given to the Board in writing. Notice to a tenant or occupant shall be directed to the Lot address. The Club does not accept notice by electronic transmission. Address for the delivery of notice may be changed from time to time by notice in writing as provided in this Section.

14.3 Notice may be given to Members by email if the Member has consented to receipt of notice by email in a record stating the email address that notices may be sent. A

Member may revoke consent to receive notice by email by delivering a notice of revocation to the Club in the form of a record. The consent of a Member is revoked if the Club is unable to electronically transmit two consecutive notices in accordance with the consent and this inability becomes known to the Club or the person responsible for providing the notice. The inadvertent failure by the Club to treat this inability as a revocation does not invalidate any meeting or other action. Notice provided in an email is effective when it is electronically transmitted to an address, location, or system designated by the recipient for that purpose. Receiving consent to receipt of notice by email shall not prevent the Club from providing a Member with written notice as provided herein.

ARTICLE 15: AMENDMENTS

These Bylaws may be altered, amended, or repealed and new bylaws may be adopted by the affirmative vote of a majority of the Members present at a meeting called for that purpose.

The foregoing Bylaws of Sheridan Beach Community Club was approved for submitting to Members for approval at a meeting of the Board held on the ____ day of _____, 20__ and ratified by Members at the special/annual meeting held on the ____, day of _____, 2019.

SHERIDAN BEACH COMMUNITY CLUB

By: _____
Its: _____

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

The undersigned, being first duly sworn on oath, deposes and says: I am the _____ for the Sheridan Beach Community Club; I am authorized to sign this document as its _____; I have read the foregoing, know the contents thereof, and believe the same to be true and correct.

SUBSCRIBED AND SWORN to before me this ____ day of _____,
2019.

(Print Name)

NOTARY PUBLIC in and for the State of
Washington, residing at _____
My commission expires: _____