

BY LAWS
of
HARSTINE ISLAND ESTATES ASSOCIATION

ARTICLE I

PURPOSES

Section 1: This Corporation shall be conducted as a nonprofit maintenance corporation for the purposes set forth in the Articles of Incorporation for the area situated in Mason County, Washington, and more particularly described as follows:

Division 1 and 2 of Harstine Island Estates located in Section 31, Township 20 North, Range 1 West W.M.; Section 6, Township 19 North, Range 1 West W.M.; and Section 1, Township 19 North, Range 2 West W.M. as recorded in Mason County and such other parcels as the Board of Trustees may determine to add whose owners agree to become part of the corporation and for which acknowledgment that the property is now part of the corporation is duly recorded as to that property.

Section 2: The corporation shall have power to levy and collect assessments against its members and against parcels owned or purchased by them for the purposes in its Articles of Incorporation and By-Laws set forth, and to sell or forfeit their interest in the corporation for default with respect to any lawful provisions of said Articles of Incorporation and By-Laws and upon forfeiture of any such property as by law and in the By-Laws provided, may transfer the membership of such defaulting member.

Section 3: The purposes for which this corporation was formed may be altered, modified, enlarged or diminished by the vote of two-thirds (2/3) of the members at a meeting duly called for such purpose, notice of which meeting shall be given in the manner provided by the By-Laws or giving notice for the election of trustees.

ARTICLE II

MEMBERSHIP

Section 1: The membership of the corporation shall consist of and be limited to the incorporators and the owners or purchasers of parcels in the area described in Article HI of the Articles of Incorporation, whose membership shall be defined in accordance with compliance with membership in Article VI of the Articles of Incorporation, but no member can acquire any interest which shall entitle him to any greater voice, vote or authority in the corporation than any other member. A purchaser under a contract of purchase shall be deemed to be an owner for membership purposes. If any parcel or parcels are held by two or more persons, the several owners of such interest shall be entitled collectively to cast one vote.

Section 2: Except as hereinbefore otherwise provided and as declaratory of the foregoing, no membership shall be voted unless represented in person or by proxy, by the owner or purchaser of an individual parcel or parcels to which such membership shall be inseparably appurtenant.

Section 3: Membership shall be inseparably appurtenant to parcels owned by the members, and upon transfer of ownership, or contract of sale, of any such parcels, membership shall ipso facto be deemed to be transferred to the contract purchaser. No membership may be transferred, assigned or in any manner conveyed, other than in the manner hereinbefore set forth. In the event of death of a member, the membership of such member shall be and become the property of the personal representative of such deceased member upon the employment and qualification as such in a judicial proceeding and such personal representative shall have all the rights, privileges and liabilities of the deceased member until title shall be transferred or contracted to be transferred.

Section 4: No membership, as defined in Article VI of the Articles of Incorporation, shall be forfeited, nor shall any member be expelled except upon foreclosure for nonpayment of assessments with the exception that pool memberships may be forfeited for more than two violations of those rules and regulations as may be promulgated by the trustees in accordance with their powers granted herein and such forfeiture of pool membership shall be only upon the simple majority vote of all of the trustees acting on such forfeiture. No compensation shall be paid by the corporation upon any transfer of membership and no member whose membership is transferred shall be entitled to share or participate in any of the property or assets of the corporation.

ARTICLE III

DISSOLUTION

In the event of the dissolution of any of the corporation's divisions; any remaining assets, after discharging all liabilities of that division, shall be returned by the last Board of Trustees to hold office to the respective members of that division.

ARTICLE IV

TRUSTEES AND OFFICERS

Section 1: Corporate powers of the corporation shall be vested in a Board of Trustees. The number of trustees who shall manage the affairs of the corporation shall be seven.

Section 2: Trustees shall be elected at the annual meeting to serve three full years or until their successors are elected and duly qualified.

Section 3: Each trustee shall be an incorporator or a member who shall not have lost his right to vote by reason of having disposed of land to which his membership is appurtenant. Each trustee must be a member in good standing.

Section 4: In the event a trustee, other than an incorporator, ceases to be the owner of the land to which his land is appurtenant, or of a contract for the purchase thereof, he shall thereby cease to be a trustee and his office shall become vacant upon written notification, without action other than to spread such fact upon the minutes of the Board of Trustees.

Section 5: At the first meeting of the Board of Trustees after each annual meeting of the members, the Board of Trustees shall elect a president, vice-president, secretary and treasurer. The board may also at any time appoint an executive secretary and/or assistant secretary and/or assistant treasurer. Officers of the corporation so elected shall hold office for the term of one year and until their successors are qualified. Any officer may be suspended or removed by a majority vote of all the trustees.

Section 6: No trustee or officers shall receive any salary or compensation from the corporation.

Section 7: When a vacancy occurs in the Board trustees, a person so appointed by the Board shall hold office until the next regular meeting of the members of the corporation, at which annual or adjourned annual meeting the vacancies for the remainder of the original terms, if any, shall be filled by election by the members in the regular manner.

ARTICLE V

MEETINGS

Section 1: Annual meeting of the members of the corporation shall be held at a place as may be designated by the Board of Trustees. Notice thereof shall be given by the secretary by mailing notice to each member not less than thirty (30) days prior to the date of the meeting.

Section 2: Special meetings of the members may be called at any time by the president or a majority of the Board of Trustees or by members representing twenty percent (20%) of the active membership within the jurisdiction of the corporation. Notice of a special meeting, stating the object thereof, shall be given by the secretary by mailing such notice to each member not less than ten (10) days prior to the date on which such meeting is to be held.

Section 3: At all annual and special meetings of the members, thirty percent (30%) of all the members or proxies of the corporation shall constitute a quorum for the transaction of business. Each member shall be entitled to one (1) vote.

Section 4: Special meeting of the Board of Trustees shall be called at any time on order of the president or of a majority of the Board of Trustees. The secretary shall give each trustee notice, personally, verbally, by mail, electronic means or by telephone, of all regular and special meetings at least seven (7) days prior thereto.

Section 5: When it is not possible to physically hold a meeting, voting by the Board of trustees may be done electronically. A record of this voting shall be recorded by the secretary.

Section 6: A member may exercise his right to vote by proxy, receivable prior to the meeting.

ARTICLE VI

POWERS AND DUTIES OF TRUSTEES

Section 1: Subject to the limitations of the Articles of Incorporation and By-Laws and the laws of the State of Washington, all powers of the corporation shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board of Trustees. Without prejudice to such general powers and subject to the same limitations, it is hereby expressly declared that the trustees shall have the following powers.

Section 2: To select and/or remove all the other officers, agents and employees of the corporation, prescribe such powers and duties for them as may not be inconsistent with law, or with the Articles of Incorporation or the By-Laws, and fix their compensation.

Section 3: To conduct, manage or control the affairs and business of the corporation, and to make such rules and regulations, including but not limited to rules and regulations to be abided by pool users, therefore not inconsistent with law, or with the Articles of Incorporation or the By-Laws, as they may deem best.

Section 4: To confer membership only to the owners or purchasers of parcels hereinbefore described, subject to such conditions or terms as provided in the Articles of Incorporation and the By-Laws.

Section 5: To charge and/or assess the several parcels of land and the owners thereof as hereinbefore more particularly set forth and as set forth in the Articles of Incorporation.

Section 6: To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of members, showing in full detail the condition of the affairs of the corporation.

ARTICLE VII

DUTIES OF OFFICERS

Section 1: President. The president shall preside at all meetings of the trustees and members; he/she shall sign as president all contracts or other instruments in writing authorized by the Board of Trustees; he/she shall call special meetings of the trustees or of the members whenever he/she deems it necessary; he/she shall have and exercise under the direction of the Board of Trustees the general supervision of the affairs of the corporation.

Section 2: Vice-President. The vice-president shall preside at all meetings in the absence of the president, and in the case of the absence or disability of the president shall perform all of the duties of the president, which are incidental to the office.