

BYLAWS
OF
FRAGARIA LANDING PROPERTY OWNERS ASSOCIATION

ARTICLE I

Name and Location. The name of the Association is Fragaria Landing Homeowners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located at: 3711 E. Madison Street, Seattle, WA. 98112, but, meetings of the members and Directors, may be held at such places within the State of Washington, County of Kitsap, as may be designated by the Board of Directors.

ARTICLE II

Section 1. "Association" means the Fragaria Landing Homeowners Association, a Washington non-profit Corporation organized pursuant to Title 24, Revised Code of Washington, and its successors and assigns.

Section 2. "Declarant" means Rand Holdings Ltd. an Alberta, Canada Corporation.

Section 3. "Map" means the Survey Map as may be prepared and amended by Bennett P.S. & E. Inc., filed or recorded in Kitsap County, Washington.

Section 4. "Tracts" means the tracts as shown on the Survey Map and the amendments thereto, made by the Developer as may be permitted by Kitsap County. Each legally subdivided portion of a tract as shown on the map which is under separate and distinct ownership shall also be considered as a tract.

Section 5. "Common Area" consists of all of the private easements and property owned by the Association which now or hereafter benefits all of the owners of Fragaria Landing which includes the road easements and right-of-way, the beach access easement and project entrance easement. The tidelands owned by the Association as conveyed by the Developer, and the improvements located on the easements and common areas.

Section 6. "Owner" refers to the record holders of a fee interest, grantors of a deed of trust, and contract purchasers in possession of a tract. The Declarant shall be considered the owner of all tracts which have not been sold or which may be reaquired.

Section 7. "Development Period" shall mean the period from the recording of the Declaration until the declarant is the owner of less than three tracts.

Section 8. "Lender" means all first mortgagees, beneficiaries under a deed of trust, or lenders under a land contract secured by an interest in any tract and their successors and assigns.

ARTICLE III

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed is to provide for the maintenance and improvement of the Common Area in Fragaria Landing and, to administer the Declaration.

ARTICLE IV

OFFICERS

Section 1. DESIGNATIONS: The officers of the corporation shall be a President, one or more Vice-Presidents (one or more of whom may be Executive Vice-Presidents), a Secretary and a Treasurer, and such Assistant Secretaries and Assistant Treasurers as the Board may designate, who shall be elected for one year by the directors at their first meeting after the annual meeting of shareholders, and who shall hold office until their successors are elected and qualify. Any two or more offices may be held by the same, except the office of President and Secretary.

Section 2. THE PRESIDENT: The President shall preside at all meetings of shareholders and directors, shall have general supervision of the affairs of the corporation, and shall perform all such other duties as are incident to his office or are properly required of him by the Board of Directors.

Section 3. VICE-PRESIDENTS: During the absence or disability of the President, the Executive Vice-Presidents, if any, and the Vice-Presidents in the order designated by the Board of Directors, shall exercise all the functions of the President. Each Vice-President shall have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors.

Section 4. SECRETARY & ASSISTANT SECRETARIES: The Secretary shall issue notices for all meetings, except for notices for special meetings of the shareholders and special meetings of the directors which are called by the requisite number of shareholders or directors, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to his office, or are properly required of him by the Board of Directors. The Assistant Secretary, or Assistant Secretaries in the order designated by the Board of Directors, shall perform all of the duties of the Secretary during the absence or disability of the Secretary, and at other times may perform such duties as are directed by the President or the Board of Directors.

Section 5. THE TREASURE: The Treasurer shall have the custody of all moneys and securities of the corporation and shall keep regular books of account. He shall disburse the funds of the corporation in payment of the just demands against the corporation or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time as may be required of him, an account of all his transactions as Treasurer and of the financial condition of the corporation. He shall perform such other duties incident to his office or that are properly required of him by the Board of Directors. The Assistant Treasurer, or Assistant Treasurers in the order designated by the Board of Directors, shall perform all of the duties of the Treasurer in the absence or disability of the Treasurer, and at other times may perform such other duties as directed by the President of the Board of Directors.

Section 6. DELEGATION: In the case of absence or inability to act of any officer of the corporation and of any person herein authorized to act in his place, The Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any director or other person whom it may select.

Section 7. VACANCIES: Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

Section 8. OTHER OFFICERS: Directors may appoint such other officers and agents as it is deemed necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 9. LOANS: No loans shall be made by the corporation to any officer.

Section 10. TERM-REMOVAL: The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

ARTICLE V

MEMBERS AND THEIR RIGHTS

1. Except as provided below, the membership of the Association shall consist of and be limited to the Owners of Tracts in Fragaria Landing. One Association membership shall be inseparably appurtenant to each such Tract and shall pass therewith to all persons who become Owners of the Tract.
2. The Association shall have two (2) classes of voting members.
 - (a) Class A: All Owners other than Developer shall be Class A members and shall be entitled to one vote for each Tract owned. When two or more persons hold an interest in any Tract, all such persons shall be members. The vote for such Tract shall be cast as they, among themselves determine, but in no event shall more than one vote be cast with respect to any Tract.
 - (b) Class B: Declarant shall be a Class B member and shall have one vote so long as it is contract vendor or lienholder on a Tract. In addition, it shall have three votes per Tract owned during the Development Period, and one vote per Tract owned thereafter. When Declarant no longer has any votes, its Class B membership shall terminate.

The Developer has granted membership privileges to the adjoining owners. The terms and conditions are set forth of record in Kitsap County.

ARTICLE VI

BOARD OF DIRECTORS: SELECTIONS: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association.

Section 2. Election. At the first annual meeting of the members of the Association, the members shall elect at least one Director for a term of one (1) year, and the remaining number of Directors for a term of two (2) years. At each annual meeting thereafter, the members shall elect a Director to replace each Director whose term has expired, for a term of two (2) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Action taken 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 the Directors.

Section 5. Compensation. No Director may receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 6. Declarant's Powers. Until sixty (60%) percent of the original five acre tracts shown on the survey map have been sold, Declarant shall have the full power and authority to exercise all of the rights, powers, duties and functions of the Board of Directors of the Association, including but not limited to: managing the Common Area, enforcing the provisions of the Declaration and collecting and expending all assessments and other Association funds.

ARTICLE VII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolutions of the Board.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by any two (2) Directors after not less than three (3) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors eligible to vote on a issue shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly called meeting at which quorum is present shall be regarded as the act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power:

(a) To exercise for the Association all powers, duties and authority vested in this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration.

(b) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive meetings of the Board of Directors; and

(c) To employ an independent contractor or such other employee as they deem necessary, and to prescribe their duties.

(d) To obtain liability insurance insuring the Association and its Board of Directors, agents and employees against all of the risks arising out of the Association's activities.

Section 2. Duties. It shall be the duty of the Board of Directors:

(a) To cause to be kept a complete record of all its acts and association affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one fourth ($\frac{1}{4}$) of the member votes entitled to be cast;

(b) To supervise all agents and employees of this Association, and to see that their duties are properly performed;

(c) As more fully provided in the Declaration; to establish, levy and assess and collect assessments, and to send written notice of each assessment to every Owner at least thirty (30) days in advance of each annual assessment period.

(d) To issue upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificates shall be conclusive evidence of payment.

(e) To cause the Common Area capital improvement programs to be carried out.

(g) To pay all Common Area maintenance and improvement expenses and all office and other expenses incidental to the conduct of its business.

(h) To enforce the provisions of the Declaration relating to architectural controls, land use restrictions and easements.

ARTICLE IX

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made in advance by the Board and from the floor at the annual meeting by the members. The Board may nominate up to two persons to fill each vacancy in the Board of Directors, in its notice of meeting. Members voting by mail may vote for one of the nominees or a write-in choice of their own.

Section 2. Election. Election to the Board of Directors shall be made by secret written ballot. At such election, the members or their proxies may cast their vote in accordance with the voting rights provisions herein. The names receiving the largest number of votes shall be elected. There shall be no cumulative voting.

ARTICLE X

MEETING OF MEMBERS

Section 1. Annual Meeting. The date of the first meeting to be held annually of the members shall be set by the Board of Directors. Each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 p.m. The meeting shall be held a convenient location in or near Fragaria Landing. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. The meeting time and place may be changed by the Board of Directors.

Section 2. Special Meetings. Special Meetings of the members may be called at any time by the Board of Directors or upon written request of the members who are entitled to vote one tenth (1/10) of all the votes of the entire membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the Board of Directors by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association, or supplied by such member of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one fifth (1/5) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Declaration. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote shall then have power to adjourn the meeting, without notice other than the announcement at the meeting, until a quorum as aforesaid shall be present or represented.

Section 5. Proxies. At all meetings of members, each member may vote in writing and file with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

Section 6. Voting by Mail. The Board may permit members to vote by mail on any issue that it proposes to submit to a vote of the membership at an annual or special meeting of the Association. Voting by mail must be allowed on all issues requiring the approval of two thirds (2/3) of each class of the entire membership, and for all elections of members of the Board of Directors. The written ballot, with the proposal attached or incorporated therein, must be sent to each member with the notice of meeting, and must be returned prior to the meeting in order to be counted.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member, other than the Declarant, is obligated to pay to the Association regular, annual and special assessments. Any assessments which are not paid when due shall be delinquent and shall bear interest from the due date at a variable interest rate equal to the maximum legal rate allowed by law but, not to exceed eighteen percent (18%) per annum. The Association may bring an action at law against the member personally obligated to pay the same and foreclose its lien (if any) against the property and interest, costs and reasonable attorney's fees shall be added to the amount of such assessment.

ARTICLE XII

MISCELLANEOUS

Section 1. Amendments. These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of member votes entitled to be cast except, that during the Development Period, the Declarant shall have the right to veto amendments.

Section 2. Conflict; Control. In case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Section 3. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty first (31st) day of December every year.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration and the Bylaws of the Association shall be available for inspection by a member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE XIV

DATE OF ADOPTION

These Bylaws were duly adopted by the Declarant, acting for the Board of Directors, on the _____ day of _____, 1983.

Declarant

Rand Holdings Ltd.

STATE OF WASHINGTON)
)
COUNTY OF KITSAP) ss.

On this day personally appeared before me
and _____, to me known to be the individuals
described in and who executed the within and foregoing instrument,
and acknowledged that they signed the same as their free and
voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this _____ day of
_____, 1983.

Notary Public in and for the State
of Washington, residing at _____