



BY-LAWS contained in the Plat of  
NORTHGATE TERRACE, DIVISION NO. 1  
As Auditor's file No. 231687 and updated May 13, 2002

Article I  
Purpose

Section 1. The corporation shall be conducted as a non-profit and maintenance organization for the purposes set forth in Articles of Incorporation.

Section 2. The purposes for which this corporation has been created may be altered, modified, enlarged, or diminished by the vote of two-thirds of the members present and voting, at an Annual Meeting or at any Special Meeting duly called for that purpose.

Article II  
Membership

Section 1. The membership of the corporation shall consist of and be limited to the owners or purchasers of property, or purchasers of water rights. The privileges and facilities of the association shall extend to the spouse and children of a member and may be extended to guests, under such rules and regulations as the Board of Directors may prescribe

Section 2. Membership shall be inseparable from the tract or water right, owned or being purchased by the member; and when the tract or water right is sold or otherwise transferred, the membership shall be automatically transferred to the contract purchaser or grantee. No membership may be conveyed or transferred in any other way. When a member dies, his or her membership shall pass to the heirs of the real property or the water right.

Section 3. No member shall be forfeited nor any member be expelled as long as the member owns the property or water right, but the voting rights of a member may be temporarily suspended for non-payment of dues beginning sixty (60) days from the due date and extending for as long as the dues remain unpaid. (See Article VI, Section 3.) No member may withdraw from membership in the corporation except upon the transfer of title to, or upon contracting for the sale of, the tract or water right the member owns. No dues will be refunded by the corporation to a member who transfers his or her property or water right after paying dues for the year in which the transfer takes place.



### Article III Meetings

Section 1. Annual meetings of the members of the corporation shall be held at the principal place of business of the corporation, or at such other place as the Board of Directors may elect, on the date the Board of Directors may elect.

Notice of the Annual Meeting shall be given by the Secretary in writing, postage prepaid by United States mail, to the address of each member appearing on the books of the corporation, the mailing date not to be less than fifteen (15) days prior to the meeting. At the Annual Meeting the members shall elect a Board of Directors as herein provided and shall transact such other business as may properly be before them.

Section 2. Special meetings of the membership of the corporation may be called from time to time at the discretion of the President or a majority of the Board of Directors, or by the Secretary upon receipt of a written request signed by members owning at least ten per cent of the lots within jurisdiction of the corporation. Notice of a Special Meeting, stating the purpose for which it is being called, shall be given by the Secretary to all members in the same manner as notice is given for the Annual Meeting, except that such notice shall be mailed at least twenty (20) days prior to the date of the meeting.

Section 3. At any meeting of the membership of the corporation, those members present in person shall constitute a quorum.

Section 4. Each membership is entitled to one vote on every question coming before the meeting. A member shall be entitled to cast no more than one (1) vote, regardless of the number of lots owned by the member. Members of a single marital community will have one vote between them, which may be cast by either spouse without presentation authority from the other.

### Article IV Management

Section 1. A Board of Directors member shall manage the business and property of Northgate Terrace Community Club. The number of Directors shall not be less than three (3) or more than twelve (12).

Section 2. The Directors shall be elected for a term of three (3) years by the majority vote of the membership of the corporation at the Annual Meeting. Immediately following the Annual Meeting, the Board shall elect from among themselves the following officers of the corporation: President, Vice President, Secretary, and Treasurer. The President of the corporation shall be the Chairman of the Board of Directors. (See Article V for duties of officers.)

Section 3. The Board of Directors shall do whatever may be necessary and proper for the enforcement of the provisions of the declarations of covenants and restrictions affecting the property subject to the jurisdiction of this corporation. The Board may hire contract employees to render professional services the Board deems necessary. (See Article V, Sec. 5.)

Section 4. The Board of Directors shall hold regular monthly meetings at a time and place to be decided by the Board, and shall meet immediately following the Annual Meeting and all Special Meetings of the membership. All Board meetings will be open to the membership as observers, and a member may speak if recognized by the Chair; but no member who is not a Director may make a motion or vote at a Board meeting.



Section 5. At any meeting of the Board of Directors, two or more Directors shall constitute a quorum. Each Director who is present shall have one vote on motions coming before the Board. Voting by proxy shall not be allowed.

Section 6. If a Director can no longer qualify as an owner or purchaser of any lot or water right and ceases to be a member, he or she shall automatically cease to be a Director, and the office shall become vacant.

Section 7. Unexcused absence from three (3) consecutive meetings or failure to make nine (9) of the twelve (12) monthly meetings of the Board of Directors shall be due cause for the removal of a Director. The Board may remove a Director for this cause by majority vote at a regular Board meeting or a Special Board meeting called for that purpose, and fill the vacancy thus created, without waiting for approval by the membership.

Section 8. Any Director may be removed from office by two-thirds (2/3) vote of the membership at any Annual Meeting or Special Meeting of the membership called for that purpose. Notice of the proposed removal must be given to the Director prior to the date of the meeting where his or her removal is to be voted on, and the notice must state the reason for the proposed removal.

Section 9. When a vacancy occurs on the Board of Directors, a majority of the Board shall appoint a qualified member to serve out the unexpired term of the departing Director.

Section 10. Members of the Board of Directors shall receive no fixed salary for their services to the corporation, but shall be compensated by having their community club dues refunded on one piece of property or water right, after actively contributing to the duties of the Board in addition to the regular meetings nine (9) full months in a fiscal year. The decision to refund the dues will be left to the discretion of the Board based on the contributions of the members. Members shall be reimbursed for any out of pocket expenses they may incur in the course of their duties.

Section 11. The failure of a Director to maintain their property as set forth in the covenants of Northgate Terrace Community Club shall be due cause for removal of the Director. The Board may remove a Director for this cause by majority vote at a regular Board Meeting or a Special Board Meeting called for this purpose, and fill the vacancy thus created, without waiting for approval by the membership.

#### Article V Duties of Officers

Section 1. **PRESIDENT.** The President (Chairman of the Board of Directors) shall supervise all activities of the corporation; execute all instruments in its behalf; preside at all meetings of the Board of Directors and of the membership of the corporation; call such meetings to the membership as shall be deemed necessary, in addition to the Annual Meeting of the membership; and perform such other duties as are usually inherent in this office.

Section 2. **VICE PRESIDENT.** The Vice President shall act for the President in his or her absence and perform such other acts as the President may direct.

Section 3. **SECRETARY.** The Secretary shall keep all records of the Board of Directors and of the corporation, including minutes of Board meetings and membership meeting. He or she shall sign instruments executed on behalf of the corporation and perform such other acts as the President may direct.

Section 4. TREASURER. The Treasurer shall receive and be accountable for all funds belonging to the corporation, pay bills incurred by the corporation when payment is authorized by the President and the Secretary, maintain bank accounts in a depository designated by the Board of Directors, and render monthly financial reports to the Board of Directors. Checks drawn from the bank accounts shall be signed by the President and the Treasurer, or by any two community officers designated by the Board of Directors.

Section 5. CONTRACT EMPLOYEES. The Board may hire contract employees to do jobs such as (but not limited to) bookkeeping, billing, accounting, auditing, water management, and property management and maintenance. A contract employee may not be a member of the Board of Directors.

a. WATER MANAGER. The Water Manager shall maintain the water system so as to provide potable water to all households in the jurisdiction of the corporation, and shall make a monthly report to the Board of Directors and a yearly report at the Annual Meeting.

BY-LAWS contained in the Plat of  
NORTHGATE TERRACE, DIVISION NO. 1  
As Auditor's file NO. 4074346  
Amendment to Article VI, Dues  
April 13, 2006

Article VI  
Dues

Section 1. All members owning tracts and water rights within the jurisdiction of the corporation shall be charged annual dues, the amount to be set by a majority of the membership present at the Annual Meeting. Developer/Owners shall not be exempt from dues.

Section 2. The annual dues shall be due and payable on or before July 1st following the Annual Meeting at which they have been fixed. Within one (1) month from the date of the Annual Meeting a statement of annual dues will be mailed to each member at the members address of record, filed with the secretary or Island County. Any dues not paid by July 1st of that year shall thereafter be delinquent and a late charge of \$25.00 per month shall be added. Being delinquent for ninety (90) days will result in the water being turned off at the cost of the customer, which will be a minimum of \$200.00 or the actual cost incurred by the community, whichever is greater. Service will be turned back on only after the bill is paid in full, including shut off and reconnection fees, or arrangements have been made for a payment plan. Any payment plan made as a result of a delinquency will have a \$5.00 a month service charge. Failure to comply with an arranged payment plan will result in service being shut off again and it will not be turned back on until the balance is paid in full. All balances must be paid in full before the next billing period begins (the billing cycle is June 1st through May 31st). Upon becoming delinquent, such dues shall constitute a lien upon the tract or tracts against which they have been levied, and the corporation may file within one hundred twenty (120) days after said delinquency a statement of said charges and lien in the proper offices of Island County, Washington. A release of said lien shall be filed by the corporation upon payment in full of said dues with interest and cost, disbursements and attorneys fees incurred by Northgate Terrace Community Club. Said lien may be enforced by the club herein, all of which cost, disbursements, and fees shall be secured by such lien. Members who purchase a lot to which unpaid dues are allocated, shall become personally obligated to pay such dues, including any interest accrued thereof, and shall be subject to the enforcement provisions of this section.

Section 3. In the event that any member of this corporation accrues a debt of \$200.00 in unpaid dues past the payment deadline, the corporation shall have the power to discontinue water and services to his or her property until the member make satisfactory arrangements with the Board of Directors. (see Article II, Section 3) The Board of Directors may also suspend voting privileges and all other membership privileges until such time that the bill is paid or arrangements have been made.



Article VII  
Amendments

Section 1. These By-Laws may be amended by the members of the corporation at any Annual Meeting, or at any Special Meeting properly called for that purpose by the affirmative vote of two-thirds (2/3) of the members present and voting. Notice of suggested amendments will be sent out with notice of the meeting. (See Article III, Sections 1 and 2.)

Section 2. Between meetings of the membership, these By-Laws may be amended by the Board of Directors at any regular meeting of the Board or at any Special Meeting of the Board properly called for that purpose, by the affirmative vote of the majority of the Directors present, subject to the power of the members to change or repeal such By-Laws as provided in Article VII, Section.1. The Board of Directors shall not make or alter any By-Laws fixing their own qualifications, classifications, terms of office, or compensations, nor shall they alter the annual dues.

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The within and foregoing By-Laws of Northgate Terrace Community Club were duly adopted by the membership of the corporation on May 13, 2002, and superseded previously submitted By-Laws and all amendments to the same.

*Carol Gault*  
Chairman

ATTEST:

*William F. ...*  
Secretary

Subscribed and sworn before me this 20 day of Nov, 2002