

BYLAWS
OF
LEGASEA LLC

Articles I thru IV referring to the method of electing officers have not yet been set forth. Current officers are Troy Millett - President, Mark Eisele - Scheduling Director, Steve Pugmire - Treasurer/Secretary.

ARTICLE V.
ASSET OWNERSHIP AND USE

SECTION I. DESCRIPTION

The total number of blocks of stock of the Corporation shall not exceed thirteen (13) in number, each block of stock shall not have more than two (2) owners. Each of the thirteen blocks of stock (hereafter called an "Ownership Share") shall equal to One Hundred (100) shares. Nothing in this section, however shall prevent any person or entity from purchasing more than one Ownership Share. Each Ownership Share shall have one vote.

SECTION II. USE OF HOUSEBOAT

Each ownership share shall be entitled to four (4) weeks of use of the Houseboat each year. For purposes of this section, "each year" shall mean the time period between and including the months of January through December of a calendar year and "week" shall mean from Monday at 1:00 p.m. to the next Monday at 1:00 p.m. The weeks shall be allocated to allow each ownership interest one full week in each of the following quarters of each year: Quarter 1: March, April, or May; Quarter 2: June, July, or August; Quarter 3: September, October, or November; Quarter 4: December, January, or February. The weeks corresponding to each ownership interest shall be scheduled at the time of the initial purchase of the ownership interest. The corresponding weeks shall then rotate respectively three (3) weeks forward in the next year, and shall continue to progress in that manner in subsequent years.

If an ownership share wants to use the Houseboat during the 4th quarter (December, January, or February), the Houseboat must be unwinterized before it is used and rewinterized after it is used. The ownership share must pay for the boat to be unwinterized and rewinterized, and the ownership share will be liable for any damage caused by weather.

The Scheduler of the Corporation should be notified by each ownership share of any intent not to use any week. Unused weeks may then be sold for the benefit of the Corporation and its Shareholders in a manner designated herein. All Shareholders shall be responsible for

notifying the Scheduler of the Corporation when they do not intend to use a week assigned to their ownership share. Such notice shall be given at least 14 days prior to the week. The available week can then be used as reimbursement to a shareholder who has lost a week due to needed maintenance, or designated as a maintenance week, and the corporation will purchase that week. If no repairs are required at the time that a week comes available, the corporation will sell the week to an existing shareholder based on a drawing of interested shareholders. After receiving such a week in the drawing, that shareholder is not eligible for other drawings during that year unless there are no other interested shareholders. An entire 7 day trip may be sold at the following rates:

June, July, or August week	\$700.00
May, September, October week	\$500.00
March, April, November week	\$300.00

All transactions will be processed through the corporation and the officer(s). The corporation will be paid for the additional days and the corporation will reimburse the selling shareholder 80% of the received amount. The remaining 20% will remain with the corporation to offset maintenance costs. It is expressly understood that the corporation is under no obligation to purchase days which a shareholder was unable to use and the corporation was unable to sell within the corporation. The Board of Directors shall make the sole determination of whether the fee should be waived, only upon the majority vote of the shareholder(s).

The weeks assigned to each of the ownership shares may be traded with other ownership shares of the Corporation. There is no fee to trade weeks. However, if shareholders trade weeks that are in different quarters, the shareholder receiving the week of greater value should reimburse the shareholder receiving the week of lesser value in an amount equal to the difference between the value of the two weeks.

SECTION III. INTEREST HOLDER QUALIFICATIONS

As used herein, a person shall not be deemed to be a "qualified interest holder" until such time as such person has paid a fair market consideration for a partial or full interest in an ownership share in the Houseboat, has passed the operator certification requirements of the Corporation as established by the Board of Directors, has been registered as an "owner" with the marina at which the Houseboat is moored, is over 25 years of age, is an immediate family member (child) of a qualified member or in the event the interest holder is a Corporation or partnership, is an officer or director of the Corporation or a partner in a partnership. After the initial purchase of each of the thirteen ownership shares, a majority vote of the Board of Directors shall be required to approve all subsequent qualified interest holders. In addition, after the initial purchase of the thirteen ownership shares, each co-owner must have paid 50% of the value of the share. For the purpose of this section, the word "person" shall mean any natural person, Corporation or partnership.

SECTION IV. PAYMENT OF ANNUAL DUES.

Each ownership share shall be assessed annual dues as determined by a majority of the shareholders. Dues shall be due and payable on the 1st day of March of each year. If an ownership share is delinquent in the payment of its assessed dues, said ownership share and its interest holders shall lose their use of the Houseboat until such time as the dues of that ownership share are brought current. All delinquent dues shall be assessed a late fee of 1 1/2% per month until paid.

For the calendar year 1996, 50% of said assessment shall be paid on or before April 15, 1996 or before the first usage of the houseboat by the shareholders, whichever may occur first. The remaining 50% will be due on September 1, 1996.

Any individual item added to the houseboat, resulting in an increase of dues per share of \$150 or more, will require an affirmative vote by 9 of the 13 shareholders. This does not include costs incurred to replace items that are presently on the houseboat.

SECTION V. OFF AND ON CHECKLIST.

In an effort to control and determine houseboat abuse and additionally to assure the houseboat will be in as near perfect condition as possible when each party boards and departs, there has been developed an off and on check list. This check list will cover all moveable and attached parts on the houseboat and those needing cleaning and periodic maintenance. The check list will be strictly adhered to and must be signed when completed. The check list can only be signed by the shareholder of the houseboat to insure two things: 1) That the shareholder did in fact follow the check list and 2) that the shareholder was with the party using the houseboat. Any shareholder who uses the houseboat and fails to submit said list and has a shareholder follow-up and finds items missing and/or damaged shall be deemed responsible and liable for said loss and/or damage.

SECTION VI. BREAKAGE, ABUSE, NORMAL WEAR

A shareholder is responsible directly or indirectly for breakage or abuse on the houseboat. It will be determined by the officer(s) as to what posture may be taken. If common breakage, the officer(s) may determine to file with insurance carrier (if an insurable item) and then charge responsible shareholder for the insurance deductible. If not an insurable item such as abuse, the officer(s) have the right to assess shareholder the replacement cost of abused item. Replacement cost may also include a fee payable to the effected shareholder in the case of cleaning not performed, waste not emptied, gas not filled, etc. They may also levy an additional fine of up to \$100. A replacement assessment cannot exceed \$500.00 without a 2/3 majority vote of shareholders. All assessments and fines must be paid within 90 days of assessment. If shareholder fails to pay within allotted time, said share will then become available for sale as outlined in buy/sell agreement.

Abuse may also be defined as lack of cleanliness and will be determined by proper use of off/on check list. Officer(s) also have the right to levy loss of use in addition to or in place of monetary fine. This loss of use may be as short as one day or as long as the loss of an entire seven (7) day trip. The Officer(s) may at their discretion award this time to the offended or damaged shareholder or holders. This would be an appropriate action in the case of leaving an unclean houseboat.

If it is determined by the officers of the LLC that a shareholder has been guilty of abuse or negligence as determined by these bylaws, the shareholder will receive a written notice of violation. Any shareholder receiving 3 notices of violation within 5 years will then be subject to having their share purchased by the corporation, or sold to a third party. It will require a vote of at least 10 shareholders after the violations to force the sale of the share.

SECTION VII. BREAK DOWNS

Unfortunately from time to time the houseboat will be subject to mechanical break downs to a greater or lesser degree. It is expressly understood that although such break downs may cause inconvenience and are regrettable, the inconvenienced shareholder has no claim, either financially or otherwise, upon the preceding shareholder, the director(s), the corporate officers, the corporation or its shareholders or any other corporate asset or entity.

If the houseboat is subject to breakdowns, the following procedure should be followed: The using shareholder should immediately arrange for repairs from the boat shop and contact the officer(s). The houseboat should then immediately be taken for repairs. The management director will contact the succeeding shareholder as soon as possible and advise of break down. The management director will assist the shareholder in doing whatever is reasonable to obtain needed repairs as quickly as possible. The management director should, if possible, secure comp time on the houseboat if time was lost to shareholder via break down. All possible effort must be spent to insure that the houseboat is ready for the next shareholder at their assigned pickup time.

SECTION VIII. GUESTS OR SUPPORTING PARTIES LIMITS

It is the shareholders responsibility to insure that they are in compliance with CoastGuard limits for the houseboat. Life preservers have been provided for 24 passengers, but each shareholder must insure that there is a life preserver for each passenger and that they are in compliance with CoastGuard regulations.

SECTION X. ANNUAL DUES AND OTHER ASSESSMENTS

Dues shall be used to pay for the following:

- (a) Annual maintenance.
- (b) Buoy or slip rental.
- (c) Launch fees (other than initial launch).
- (d) Insurance and license assessments or fees.
- (e) Reserve for future operating and maintenance expenses.
- (f) Other expenses as deemed necessary and appropriate by a majority vote of the Board of Directors.

The Board of Directors shall have the power to determine that costs of operation and maintenance have risen or that an emergency has arisen wherein an increased fee, either one-time or permanent is necessary to keep the house boat in operation. Upon the presentation of evidence sustaining that need to the Shareholders, the Board of Directors may request a vote of the Shareholders to raise the fee or require a one time increase. If, by a majority vote of the Shareholders, such increase is approved, the fee shall then become the obligation of the owner of each ownership share and shall become due and payable at a time designated by the Shareholders. If no time is designated, such increase shall be paid with the yearly fee.

SECTION XII. INSURANCE

The Corporation shall maintain liability and property damage insurance at all times and in such amounts as the Board of Directors deems sufficient. The insurance provided shall cover all shareholders, one for each Ownership Share. If an Ownership Share wants to have more people allowed to operate the Houseboat, that Ownership Share must pay the extra cost to increase the insurance coverage for the extra people. One shareholder must be on the Houseboat at all times while it is being operated.

In the event that damage or mechanical failure occurs to the Houseboat during the time that the Houseboat is being used by a qualified interest holder, unless the event of the damage or mechanical failure occurs to the Houseboat as a result of the negligence or reckless conduct of the interest holder as determined solely by the Board of Directors, the interest holder shall have the right of recourse through the Corporation's liability and property insurance carrier for repair of the Houseboat. The ownership share shall be responsible for the deductible portion of the insurance. In the event that damage or mechanical failure occurs to the Houseboat as a result of negligent or reckless conduct of the Ownership Share or members of the ownership share, the ownership share shall be required to pay for said damage and forfeit from its allotted proportional use time of the Houseboat the time necessary to make repairs.

SECTION XIII. ALIENABILITY, TRANSFER OR SALE OF OWNERSHIP SHARE

The Shareholders of the Corporation shall have the right to transfer to a third party any of their interest in the corporation, but only pursuant to a bona fide, arm's length, written, unconditional and irrevocable offer ("Bona Fide Offer") which is received from such third party to purchase the interest of that Shareholder. Interests shall only be sold in their entirety so that the total number of interests in the houseboat never exceeds thirteen (13). If any interest holder desires to sell, transfer, alienate or otherwise dispose of its interest in the

Corporation, said interest shall be offered first to the Corporation and then, if the Corporation declines to purchase such shares, to the individual Shareholders of the Corporation on identical terms as offered to the third party, for a period of thirty (30) days for a Corporate decision and an additional thirty (30) days for the Shareholders' decision. If the Shareholder does not sell his share to the party making the Bona Fide Offer, for the price and on the terms and conditions of purchase and payment specified in the offer, or if the Bona Fide Offer is modified in any way, then the interest of the selling Shareholder shall again become subject to the restrictions of this section.

SECTION XIV. OPERATING PROCEDURES OF HOUSEBOAT

A qualified interest holder must be on the houseboat at all times while the houseboat is in use. The qualified interest holder shall record in the Captain's logbook, any and all transactions, purchases, occurrences, or other circumstances surrounding the use of the Houseboat as required by the Board of Directors. All persons using the Houseboat shall also follow any and all standard operating procedures adopted by the Board of Directors and comply with the check in and check out procedures as required.

SECTION XV. PROHIBITED ACTIVITIES

It shall be a violation of the rules, regulations, operating procedures, bylaws, and philosophy of use of the Houseboat, of the Corporation, for any of the following activities to occur either on the Houseboat or in conjunction with its use by any interest holder or member of a party of any interest holder:

- a) Use of, in any manner or form, any tobacco or tobacco products;
- b) Use of alcohol by the driver of the Houseboat at any time, and intoxication of anyone on the Houseboat at any time;
- c) Use of any controlled substance, unless it was obtained and used pursuant to valid prescription or order or directly from a practitioner while acting in the course of his or her professional practice;
- d) Any act(s) or omission(s) constituting a violation of any Federal, State, or Local law;
- e) Any other acts or omissions prohibited by a majority vote of the Board of Directors.
- f) Pets as houseboat passengers or guests on a permanent or temporary basis.

If any of these activities occur on the Houseboat at any time, the ownership share may be assessed a fine of \$500 for the violation plus the cost of repairs for any damages resulting from such violation.

SECTION XVI. SALE OF THE HOUSEBOAT

The houseboat shall not be sold except by a unanimous vote of all Shareholders. Upon approval and completion of the sale or transfer of the Houseboat, the Shareholders shall be

entitled to an equal share of the proceeds of the sale proportional to their ownership in the Corporation.

ARTICLE VI PENALTIES AND SANCTIONS

SECTION I. FAILURE TO COMPLY WITH RULES AND POLICIES

Unless otherwise specified herein, or unless otherwise decided by the Board of Directors, failure to follow any operating responsibilities, rules, regulation, contractual obligations and responsibilities, bylaws, or the governing regulations of the Corporation, or other negligent or reckless conduct as determined by the Board of Directors, by any interest holder of the Houseboat, or members or any interest holder's party, shall result in sanctions against the full ownership share of the Houseboat of which that interest holder is a part.

- a) Unpaid fees, dues or other monetary obligations:
 - 1) 1 1/2% per month interest on unpaid balance, to accrue 15 days after unpaid balance is due;
 - 2) Loss of use of the Houseboat by the entire ownership share until obligation (including interest) is paid in full.
- b) Negligent or reckless conduct by interest holder.
 - 1) Loss of "Qualified" status. Must re-certify with the Board of Directors.
 - 2) Any damage assessed to said interest holder is paid in full.

ARTICLE VII MAINTENANCE

SECTION I. ANNUAL MAINTENANCE

Each full ownership share shall be responsible to provide one adult every other year for the time needed during the spring of each year, on a date to be determined by the board of Directors, for the annual cleanup of the Houseboat. Even numbered shares will provide a person on the even years, and odd numbered shares will provide a person on the odd years. Said annual cleanup shall include whatever maintenance is required on the Houseboat as determined by the board of Directors and shall take place at Halls Crossing Marina unless otherwise specified by the Board of Directors. Failure to provide one adult as required shall result in a \$500.00 penalty assessed against the full ownership share of the Houseboat. Failure to pay the assessment shall result in a loss of the use of the Houseboat by that full ownership share until such time as the assessments due from that full ownership share are paid in full.

Failure to pay the assessment shall result in the interest and loss of boat use penalties mentioned under the penalties provisions of these Bylaws.

SECTION II. CARE AFTER USE

The Houseboat shall be thoroughly cleaned after each use by a ownership share, according to a cleaning checklist created by the Board of Directors. All fuel tanks shall be filled and the waste and garbage removed from the Houseboat at the end of each use pursuant to the cleaning checklist. At the beginning of the use by an ownership share, the qualified user shall note any items on the checklist that were not completed and submit them, if any, to the Secretary/Treasurer of the Corporation. The ownership share responsible for the uncompleted item may be assessed the cost of cleaning.

SECTION III. DOWN TIME

Should any portion of a week of an ownership share be needed for emergency maintenance of the Houseboat for reasons other than those resulting from the negligence or fault of that ownership share or its party, the Secretary/Treasurer may assign another week, if available, which is not being used, to that ownership share, to replace the time lost.

ARTICLE VIII. BILLS, NOTES, ETC.

SECTION. HOW MADE

All bills payable, notes, checks, drafts, warrants, or other negotiable instruments of the Corporation shall be made in the name of the Corporation, and shall be signed by the Secretary/Treasurer and countersigned by the President or Vice-President. No officer shall have the power to make any bills payable, note, check draft or warrant or other negotiable instrument, or endorse the same in the name of the Corporation, except as herein expressly prescribed and provided.

ARTICLE IX. AMENDMENTS

SECTION I. HOW AMENDED

These Bylaws may be amended repealed and added to by the vote of the Board of Directors of this Corporation at any regular meeting of said Board, or at a special meeting of the directors called for that purpose provided a quorum of the Directors as provided by law and by the Articles of Incorporation, are present at such regular or special meeting. These Bylaws, and any amendments thereto and the new Bylaws added by the directors may be amended, altered

or replaced by the Shareholders at any annual or special meeting of the Shareholders.

ARTICLE X
FISCAL YEAR

The fiscal year shall begin the 1st day of January, 1996, and each year thereafter.

The undersigned hereby certify that these Bylaws were duly adopted on the 16th day of March, 1996.

Troy Millett/President/Director

James Bills/Director

Mark Eisele/Director over scheduling

Sherri Hafen/Director

Steven Pugmire/Secretary/Treasurer/Dir.

Michael Morley/Director

Darrin Eisele/Director

Delwin Orr/Owner

Lori Dayton/Director

Steven Bailey/Owner

John M. Berg/Director

Tracy Merrill/Owner

Blaine Dennis/Director

Daniel C. Tebbs/Owner

Richard Allred/Director

Dianne Driggs/Owner

Daren Thayne/Director

Ric Levin/Owner

Kent Downs/Director

Karen Buckner/Owner