

TIDES WEST ASSOCIATION

PROTECTIVE COVENANTS

AND

BY-LAWS

AMENDED AS OF

AUGUST 2001

BY-LAWS
OF
TIDES WEST COMMUNITY ASSOCIATION

ARTICLE I

MEMBERSHIP

SECTION 1. The membership of the corporation shall exclude Properties West, Inc., as developers of Tides West, and shall consist (in addition to the original incorporators, said incorporators being authorized to resign their membership) exclusively of the owners of lots in Tides West, a recorded plat in Pacific County, Washington, and of such additional plats as may hereafter be recorded by or for Properties West, Inc., or its successors or assigns covering property in Section 16 of Township 11 North, Range 11 West, W.M., in Pacific County, Washington, if pursuant to such platting, restrictions and dedications be recorded by which membership in this corporation be afforded lot owners in such platted areas. A purchaser under a contract of purchase shall be deemed an owner for membership purposes, and the term "owner" as used in these By-Laws shall include a contract purchaser or assignees and holders of record of the vendee's interest under any such contract. Membership shall be inseparably appurtenant to lots, tracts and ownership in the above described plat and plats contemplated thereby, and upon transfer of ownership by deed, court decree or otherwise, or upon the making of a contract of sale, membership shall be automatically transferred with the lot to the new owner or purchaser. No membership may be transferred in any other way. The term "owner" shall include any party otherwise qualified as an owner hereunder, and irrespective of whether such party be a natural person, corporation, partnership, association or other form of entity, provided that as to each such entity and ownership there shall be but one membership.

SECTION 2. No member of the corporation shall have any right, title or interest in or to the whole or any part of the property or assets of the corporation, and no member shall be entitled to either the whole or any part thereof in the event of the termination of his membership in the corporation.

SECTION 3. Each owner shall have one membership and one vote regardless of the number of lots owned. A husband and wife holding a lot as community property or two or more persons holding jointly or as tenants in common shall be entitled collectively to one membership and thereby to one vote. Unless the Board of Directors decides otherwise no certificates

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need be issued. A new owner or purchaser shall become entitled to vote after establishing his ownership or contract interest to the satisfaction of the Secretary. The personal representative of a deceased member shall have all that member's rights, privileges and duties.

Section 4. No member may withdraw from the corporation except upon transfer of the lot or lots to which his membership is appurtenant. No compensation shall be paid by the corporation upon the transfer of membership and no member whose membership is transferred shall thereafter be entitled to share or participate in any of the property, facilities or benefits provided by the corporation except to the extent of continued membership by reason of ownership of another lot or lots.

ARTICLE II

MEETING OF MEMBERS

SECTION 1. Annual Meeting. The Board of Directors shall designate a date, place and time for the annual meeting.

SECTION 2. Special Meetings. Special meetings of the members may be called by the President or the Secretary or any two members of the Board of Directors, or members constituting ten percent (10%) of the membership at that time.

SECTION 3. Notice of Meetings. Notice of the regular annual meeting of members shall be mailed not more than 28 nor less than 21 days prior to the date of the meeting. Notice of special meetings of the members of the corporation stating the place, date and hour of the meeting, and the general purpose or purposes thereof, shall be mailed by the Secretary to each member entitled to vote, at least ten (10) days prior to the day of the special meeting. If mailed, the notice of the meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Notice of any meeting of the members may be waived in writing by any member at any time, either before or after the meeting; and attendance at the meeting in person or by proxy shall constitute a waiver of notice of the meeting by the member or members so attending,

SECTION 4. Quorum. At any meeting of the members of the corporation a quorum shall consist of the lesser of the following number:

- (a) Thirty of the members present in person or by written proxy



filed with the Secretary at or before the meeting.

(b) Members constituting more than twenty-five percent (25%) of the membership at that time.

If a meeting be recessed to a later date upon further written notice of at least ten (10) days to the members, a quorum shall be deemed to be present at such reconvened meeting provided that at least one-half the number are there present who would regularly constitute a quorum. Attendance at and participation in meetings may be in person or by proxy.

In any membership action to be taken upon proceedings for dissolution of merger of the corporation, for an undertaking of a capital assessment exceeding the amount of the current annual dues in any one calendar year or for transfer of the substantial operating assets of the corporation to another person or party, an affirmative vote in favor of such action shall require a majority vote of the members casting a ballot.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. General Powers. The affairs of the corporation in the organization and commencement of business shall be managed by a Board of Directors which shall be composed of seven members (or nominees of members) of the corporation.

SECTION 2. Tenure, Qualification and methods of Election. The Board of Directors shall be elected from those individuals who either are members of the corporation, or who have a financial interest in a member of the corporation by virtue of being a stockholder or partner in a member, or who are nominated by such member.

The election of Directors shall be held at the annual meeting of the members of the corporation. In the event of failure to hold an election of Directors at any annual member's meeting, or in the event of failure to hold any annual member's meeting as provided for by the By-Laws, election of the Directors may be held at a special meeting of the members called for that purpose.

The election of four (4) Directors shall be held on even numbered years and the election of three (3) shall be held on odd numbered years. The term of office shall be two (2) years.

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SECTION 3. Vacancies. Except as otherwise provided by law, vacancies in the Board of Directors, whether caused by resignation, death, qualification of additional members of the corporation, or otherwise, shall be appointed by the President. A Director thus appointed to fill any vacancy shall hold office for the unexpired term of his predecessor.

SECTION 4. Regular Annual Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after and at the same place as the annual meeting of members.

SECTION 5. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or the Secretary or by any two Directors. Notice of any special meeting of the Board of Directors shall be given at least four (4) days prior to the meeting by telephone notice or written notice. Any Director may waive notice of any meeting, either before or after the holding of the said meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting.

SECTION 6. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. In absence of a quorum at a regularly scheduled meeting of the Board of Directors, the President may appoint pro tem, any member in good standing to fill the vacancy for any absent Director.,

SECTION 7. Removal of Directors. The entire Board of Directors or any individual Director, at a special meeting of the members called for that purpose, may be removed from office by a vote of the majority of the members entitled to vote at any election of Directors. If the Board or any one or more Directors is so removed, new Directors may be elected at the same meeting.

SECTION 8. Power and Authority of the Board of Directors.
The Board of Directors shall have full power and authority to:

(a) Appoint and remove, at its discretion, all offices, agents and employees of the corporation, and to prescribe their duties and fix their compensation:

(b) Make such expenditures as the Board deems expedient; provided, however, that the members of the corporation by resolution adopted by a two-thirds vote at any meeting of the members, may restrict the amount of expenditures which can be made by the Board without prior approval of the members;



(c) Establish and collect dues and assessments to be paid by the members of the corporation, provided that current assessments shall not be established at a rate in excess of the current annual dues per calendar year except by vote of the membership. Determine and enforce assessments and charges for operations and maintenance, including *appropriate reserves*. Power to assess for capital contributions is reserved to the membership;

(d) Manage and conduct the affairs and business of the corporation and generally do and perform or cause to be done and performed any and every act which the corporation may lawfully do and perform; provided, however, that the Board of Directors shall not have power to borrow money on behalf of the corporation unless authorized by a majority vote of the members of the corporation at a meeting of the members called for that purpose;

(e) To acquire by conveyance, gift, contract, lease or otherwise, property and rights of occupancy of property for the common benefit of the property of the members of the corporation; to improve said property by the erection of structures, utilities and facilities; to allow the use of the same to members of the corporation or to organizations of members of the corporation, all upon such terms and subject to such rules and regulations as the Directors may determine;

(f) In the name of the corporation to enforce and foreclose the lien of assessments of the corporation as may be necessary for the collection thereof; and to enforce the provisions of restrictive covenants and declarations pertaining to the lands served by this corporation, by the institution of litigation or otherwise;

(g) To designate representatives to serve as Architectural Control Committee for the property of the members hereof. Said Committee shall be composed of three Tides West members. Terms of service shall be for three years and shall be staggered in such a manner that, each year, one member will complete a three year term. Designation of Committee members shall take place at the first regular monthly Board Meeting following the annual membership and Board meetings.

(h) To establish a budget of assessments and expenditures of the corporation and to authorize the expenditure of funds for corporate purposes, including construction and maintenance of drainage easements, improvements, provision of services, payment of taxes upon common property, and accumulation of necessary or appropriate reserves;

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(i) Procure and maintain such forms of insurance as the Board may deem appropriate as to risks pertaining to the corporation or to the obligation or interests of its members;

(j) The Board of Directors shall not make political or charitable donations of the corporation funds or property;

(k) The Corporation, whether through its Board of Directors or otherwise, shall not cause the corporation to be operated for social or club purposes, and without limiting the foregoing, the corporation shall not sponsor or conduct athletic tournaments, lessons or classes, dinners, group social gatherings, dances or parties or similar functions. If an individual or social or club group, independent of this corporation, should desire to conduct such a function upon grounds or facilities maintained by the corporation, the same shall be only as approved by a majority of directors and conditioned upon indemnification to the corporation.

(l) Except as otherwise limited hereby, the Board of Directors shall have power and may exercise the rights and duties customarily devolving upon a corporate board of directors for any and all purposes not inconsistent with the purposes and powers of the corporation pursuant to its Articles and these By-Laws.

ARTICLE IV

OFFICERS

SECTION 1. At the first meeting of the Board of Directors after each annual meeting of the members, the Board of Directors shall elect a president, vice president, secretary and treasurer. Officers of the corporation so elected shall hold office for a term of one year or until their successors are qualified. Any officer may be suspended or removed by a majority vote of all of the Directors.

SECTION 2. No Director or officer (except as such Director or officer may also be designated as business manager by the Directors) shall receive any salary or compensation from the corporation, but may receive reimbursement of out-of-pocket expenses incurred in performance of duties for the corporation.

SECTION 3. President. The President shall preside at all meetings of the Directors and members and shall exercise, under the direction of the Board of Directors, the general supervision of the affairs of the corporation.

SECTION 4. Vice President. The Vice President shall preside at meetings in the absence of the President and in case of the absence or disability of the President shall perform all other duties of the President.

SECTION 5. Secretary. The Secretary shall issue notices of meetings and keep the minutes of the meetings. He shall keep a record of the names and addresses of the members and shall have charge of the other necessary records and papers of the corporation.

SECTION 6. Treasurer. The treasurer shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and business transactions of the corporation. The books of account shall at all times be open to inspection by any members. The Treasurer shall keep safely all moneys and securities and disburse the same under the direction of the Board of Directors. He shall cause the funds of the corporation to be deposited in a bank selected by the Directors. At each annual meeting of the members, and at any time directed by the Directors, he shall issue and present a full statement showing in detail the condition of the affairs of the corporation.

SECTION. 7 Any officer may occupy two offices concurrently if the Board of Directors so directs.

ARTICLE V

FISCAL YEAR

The fiscal year of the corporation shall be 1 August to 31 July.

ARTICLE VI

ASSESSMENTS AND CHARGES

SECTION 1. Assessments may from time to time be assessed by the corporation against its members for the corporate purposes as set forth in the Articles of Incorporation and herein. The assessments shall be levied at a uniform rate as to all lots to which membership in this corporation is appurtenant, without preference of any kind (excepting only special services undertaken for limited areas at the request of the owners thereof on a reimbursement basis; and excepting further such reasonable differential as may be determined by the Board of Directors as between the benefits afforded to improved and unimproved lots respectively). Proceeds of such assessments shall be expended exclusively for the purposes set forth in the Articles of Incorporation and herein.

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The subjection of lots to assessment hereunder, and to lien thereof, shall first arise as to each lot when the same is first sold by deed or real estate contract from the developer of a plat wherein lot ownership carries with it membership in this corporation, to a grantee or contract purchaser thereof.

SECTION 2. The annual dues assessment shall be due January first of each year. A reminder notice shall be sent to each member of record prior to the first of the year. However, failure of notification shall in no way relieve the member of the responsibility for timely payment. Dues payments made between February first and April first shall bear interest at the same 10 % rate as listed for all other assessments and charges. Payments received after April first shall be assessed an additional twenty five dollar (\$25.00) late fee. Payments not received by June first will result in the same enforcement procedures as all other assessments and charges.

Payment of other assessments and charges shall be due within thirty (30) days after notification and will, thereafter, bear interest at the rate of 10 % per annum until paid. The assessment or charge, together with all expenses, attorney's fees and costs reasonably incurred in enforcing the same, shall be a personal obligation of the member assessed. Failure to pay assessments or charges within a six month period, will result in the filing of a lien against the land owned by the member.

ARTICLE VII

AMENDMENT OF BY-LAWS

SECTION 1. These By-Laws may be amended, altered or repealed by a majority vote of the members present at any regular or special meeting of the members if notice of the proposed alteration or amendments is contained in the notice of the meeting; provided, however that no such amendment shall reduce the requirements for an approving vote of specific matters as set out in Article II, Section 4 of these By-Laws unless the vote approving such amendment shall itself comply with such requirement; nor shall these By-Laws be so modified as to permit assessment, charge or lien against members or property owned by them for any purpose other than as herein provided, excepting only as such members, each for himself, may consent thereto in writing.

SECTION 2. Invalidation by judgment or other court order of any provision, sentence or paragraph contained in these By-Laws of Tides West Community Association shall in no way affect or invalidate any other provisions, sentences or paragraphs of these By-Laws, and the remaining portion shall continue in full force and effect.

SECTION 3. All amendments shall be initialed and dated by the current President at the time of approval.

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ARTICLE VIII

DISSOLUTION

In the event of the dissolution of the corporation each person who is then a member shall receive his pro-rata share of the assets after all its debts have been paid.

CERTIFICATION OF ADOPTION

The undersigned, being the Board of Directors and representatives of the membership of TIDES WEST COMMUNITY ASSOCIATION, hereby certify that the foregoing are the By-Laws as amended of said corporation as regularly adopted on the 18th day of August, 2001

1/s/ Richard A. Bonney

1/s/ Shannon M. Baker

1/s/ Greta J. Correy

1/s/ Nancy M. Stratton

1/s/ Kerann Beck

1/s/ Jane Snyder

1/s/ John O. Board

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