

**BY LAWS
OF
TAREE COMMUNITY ASSOCIATION**

ARTICLE I Name and Location

The name of the corporation is TAREE COMMUNITY ASSOCIATION, hereinafter referred to as the "Association." The principal office of the Association shall be located at the residence of the Secretary of the Association, and meetings of members and directors may be held at such places within Kitsap County, State of Washington, as may be designated by the Board of Directors.

ARTICLE II

Definitions

"Taree" means the recorded plats of Taree, Taree No. 2 and Taree No. 3 as those plats appear in the Kitsap County Auditor's records.

"Property" means any property, whether real, personal or mixed, within the boundaries of Taree which may be affected by these Bylaws or the Articles of Incorporation.

"Member" shall mean every person or entity who holds a membership in the Association.

"Lot" shall mean and refer to any plot of land shown upon any recorded plat map of Taree, with the possible exception of common area.

"Owner" shall mean the record owner, whether one or more persons or entities of the fee simple title to any lot or lots which are a part of Taree, but shall not include a contract seller or a mortgagee.

The term "real estate contract" shall not include an earnest money receipt and agreement and the terms "contract seller" and "contract purchaser" shall not include the parties to any such earnest money receipt and agreement.

ARTICLE III Membership; Voting; Register

Section 1. Members. Every person or entity who is a record owner of a fee or undivided interest in any Lot, including contract sellers, shall be a member of the Association and not subject to membership approval by the Board of Directors. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and shall run with each Lot, and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Section 2. Voting. All Lots are considered qualified for membership and voting rights. Each Lot entitles its owner(s) to a total of one vote. If only one of the multiple owners of a Lot is present at a meeting of the Association, the Owner is entitled to cast all the votes allocated to that Lot. If more than one of the multiple owners are present, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting by any of the other owners of the Lot.

Section 3. Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for the Lot. The voting representative need not be an owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in a Lot, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Lot, except in cases in which the person designated is a Mortgagee of the Lot. The guardian of an Owner, the attorney-in-fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate may exercise this power of designation and revocation. If no designation has been made, or if a designation has been revoked and no new designation has been

made, the voting representative of each Lot shall be the group composed of all of its Owners. If husband and wife own a Lot and only one of them is at a meeting, the one who is present will represent the marital community.

Section 4. Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a Lot shall promptly inform the Board of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Lot or any interest therein.

ARTICLE IV Meetings of Members

Section 1. Annual Meetings. Annual meetings of the members shall be held during the month of April of each year not on a weekend or legal holiday

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or by any Director, or upon written request of 10 percent (10%) of the members who are entitled to vote.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by or at the direction of the Secretary or person authorized to call the meeting, by hand-delivering or mailing a copy of such notice, postage prepaid, at least fifteen (15) and not more than sixty (60) days before such meeting to each member entitled to vote at the meeting, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall state the time and place of the meeting and the business to be placed on the agenda by the board of directors for a vote by the owners, including the general nature of any proposed amendment to the articles of incorporation, bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a director.

Section 4. Quorum. The presence at the meeting of members entitled to cast ten percent (10%) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, as amended, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. Members voting by mail or proxy are present for all purposes of quorum, count of votes, and percentage of total voting power present.

Section 5. Manner of Voting. At all meetings of members, each member may vote in person, by mail, or by proxy. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

Section 6. Adjournment of Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners present, in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 7. Majority Vote. Except as otherwise provided by the Declaration, the Articles of Incorporation, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present, shall require the affirmative vote of at least 51% of the votes present.

Section 8. Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

1. (a) Acceptance and recognition of proxies, proof of quorum
2. (b) Proof of notice of meeting or waiver of notice;
3. (c) Minutes of preceding meeting;
4. (d) Reports of officers;

5. (e) Reports of committees;
6. (f) Election of directors (annual meeting or special meeting called for such purpose);
7. (g) Unfinished business;
8. (h) New business;
9. (i) Adjournment.

Section 9. Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of *Robert's Rules of Order* or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

ARTICLE V

Board of Directors; Selection; Term of Office

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors (the "Board of Directors" or the "Board") of no less than two (2) Directors and no more than three (3) Directors. Any added Directors must be voted into office at a regular election of other Directors.

Section 2. Term of Office. Initially, the members shall elect at least three (3) Directors: two (2) Directors shall be elected for a three (3) year term and the other one (1) Director shall be elected for a two (2) year term. At each annual meeting thereafter, the members shall elect any vacant or expired Director's position for a term of three (3) years.

Section 3. Removal; Vacancies. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. Vacancies in the Board occurring between annual meetings shall be filled for the unexpired portion of the term by a majority vote of the remaining Directors.

Section 4. Compensation. No Director shall receive compensation for any service rendered to the Association. However, any Director may be reimbursed for actual expenses incurred in the performance of duties.

Section 5. 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. Approval may also be given by telephone so long as later written approval is obtained within five (5) working days. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Voting. At all meetings of the Board, each Director is to have one (1) vote, irrespective of the number of Lots that the Director may own. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

ARTICLE VI Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held no less than one (1) time a year, without notice, at such place and hour as may be fixed by the Board of Directors.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors, after no less than three (3) days notice to each Director. Notice, which may be waived, may be given in the same manner as provided for members, pursuant to Article IV, Section 3.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Members present through use of telephone shall be deemed present for purposes of a quorum, and may vote by telephone. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

Section 4. Open Meeting. Generally, Owners and those who act for an owner may observe meetings of the Board. The Board shall keep minutes of its actions and make the minutes available to the Owners. Upon a majority vote of the directors in open meeting to assemble in closed session, the Board may go into private, executive session to (1) consider personnel matters; (2) consult with legal counsel or consider communications with legal counsel; and (3) discuss likely or pending litigation, matters involving possible violations of the governing documents of the Association, and matters involving the possible liability of an owner to the Association. The motion to convene shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board shall not consider any matters during the closed portions of meetings other than those purposes specifically exempted and stated in the motion. If a motion, or other action is adopted, passed or agreed to in closed session, it shall not be effective unless following the closed session, the Board reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

Section 5. Nomination of Directors. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of members. The

Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nomination Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members.

Section 5. Election of Directors. At such election, the members or their proxies may each cast their vote in accordance with the voting rights provisions herein. The names receiving the largest number of votes shall be elected.

ARTICLE VII

Powers and Duties of Board of Directors

Section 1. Powers. The Board of Directors shall have power to do the following:

- (a) Suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association.
- (b) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration as amended.
- (c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent without approval from three (3) consecutive regular meetings of the Board of Directors, or absent, even with approval from five (5) regular meetings of the Board in any 12-month period. The successor shall be appointed pursuant to Article V, Section 3 of these Bylaws.
- (d) As necessary to pursue the Association responsibilities, employ an independent contractor or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to do, in its discretion, as follows:

- (a) Keep a complete record of all its acts and corporate 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 (1/4) of the members who are entitled to vote.

(b) Supervise all officers, agents and employees of the Association, and see that their duties are properly performed.

(c) Issue, or to cause an appropriate officer to issue, upon demand by any person, a statement signed by the Treasurer setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such statement. If a statement states an assessment has been paid, such statement shall be conclusive evidence of such payment.

(d) In the event of common areas, procure and maintain adequate liability and hazard insurance on property owned by the Association. Procure and maintain adequate liability insurance for the Directors of the Board of Directors and the officers.

Incorporation.

Association.

5. (e) Maintain any common areas.

6. (f) To establish and levy the assessments and/or fees referred to in the Articles of

7. (g) Establish budgets for the Association.

8. (h) Perform any and all other functions necessary for the maintenance and continuance of the

ARTICLE VIII Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a President, Vice-President, Secretary and Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the members and each shall hold office for no more than three (3) years, unless the officer sooner resigns or is removed or otherwise is disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer appointed pursuant to Section 4 of this Article may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer who is replaced.

Section 7. Multiple Offices. The same person may hold more than one office, except that a person may not hold the offices of Secretary and President simultaneously.

Section 8. Duties. The duties of the officers are as follows:

(a) **President.** The President shall be a member of the Board of Directors. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all written instruments and co-sign all checks. The President shall preside over all meetings unless otherwise provided herein. The President shall further be responsible for the grounds maintenance of all parks and common areas in Taree; appointing committees from among the members to serve the Association. The authority to call a special meeting is not exclusive to the President and such authority is provided for in Article IV, Section 2.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; is responsible for distributing the minutes to Association members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board. The Secretary can co-sign checks.

(d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant whenever requested by the Board or by one-quarter (1/4) of the voting members; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting; and deliver a copy of each to the members. To assess and collect the assessments and/or fees referred to in the Articles of Incorporation, and to send written notice of each assessment and/or fee to every owner or contract purchaser subject thereto at least thirty (30) days in advance of each annual assessment period.

ARTICLE IX

Committees

The Board of Directors shall appoint such committees as it deems appropriate in carrying out its purpose.

ARTICLE X 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 Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the residence of the Secretary of the Association.

ARTICLE XI

Assessments

As more fully provided in the Articles of Incorporation, each member is obligated to pay to the Association annual and special assessments and/or fees. Any assessments and/or fees not paid when due shall be delinquent. If the assessment and/or fee is not paid within thirty (30) days after the due date, the assessment and/or fee shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum or the highest rate provided by law, whichever is lower, and the Association may bring an action at law against the Lot Owner personally obligated to pay the same, and interest, costs and reasonable attorney fees of any such action shall be added to the amount of such assessment and/or fee, including those for appeals. No owner may waive or otherwise escape liability for the assessments provided for here by nonuse or abandonment of the Lot.

ARTICLE XII

Amendments

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person, by mail, or by written proxy. Each Lot shall have one vote. **Section 2.** In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control.

ARTICLE XIII Indemnification of Directors and Officers.

Section 1. Indemnification and Insurance. Directors and Officers shall be indemnified to the maximum extent provided for by the Washington Nonprofit Corporation Act. The Association shall maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the Association against any expense, liability or loss under the Washington Nonprofit Corporation Act.

ARTICLE XIV Fiscal Year

The fiscal year of the Association shall be May 1 to April 30, unless determined otherwise by the Board of Directors.

IN WITNESS WHEREOF, we, being all of the Directors of the TAREE COMMUNITY ASSOCIATION, have hereunto set our hands this ____ day of _____, 2006.

STATE OF WASHINGTON)

) ss. COUNTY OF Kitsap)

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

GIVEN under my hand and official seal this day of _____, 2006.

STATE OF WASHINGTON)

) ss.

COUNTY OF Kitsap)

NOTARY PUBLIC in and for the State of Washington

Residing at: _____

My commission expires: _____

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

GIVEN under my hand and official seal this day of _____, 2006.

STATE OF WASHINGTON)

NOTARY PUBLIC in and for the State of Washington

Residing at: _____

My commission expires: _____

) ss. COUNTY OF Kitsap)

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

GIVEN under my hand and official seal this day of _____, 2006.

NOTARY PUBLIC in and for the State of Washington

Residing at: _____ My commission expires: _____