

AMENDED BY-LAWS: Approved in 1985 by stockholders and distributed to membership in July, 1993.

BY-LAWS
OF
TULARE BEACH ASSOCIATION

ARTICLE I

NAME

The name of this corporation is and shall be TULARE BEACH ASSOCIATION and for convenience may be referred to hereinafter as the "Association".

ARTICLE II

PURPOSE
AND SCOPE

This corporation shall be conducted as a social club under and by virtue of ~~Chapter 6LVIII of the Session Laws of 1895 of the State of Washington~~, [Chapter 25.03, RCW], as amended, and the purposes for which this corporation is formed are the following:

Section 1. To establish and maintain a social club for the purposes of promoting friendly relations and encouraging social intercourse among owners of property in the residential district known as Tulare Beach, located in Snohomish County, Washington, and comprising the following properties:

Unit A. Lots 1 to 23, inclusive, in Block 1, Lots 1 to 10, inclusive in Block 2, and Tracts A, B, C, & D, Plat of Tulare Beach, an addition to Snohomish County, State of Washington, recorded in Volume 12 of Plats, pages 57 and 58, records of Snohomish County, Washington

Unit B. Tidelands in front of Lot 3; Lot 3, and the northeast quarter of the southeast quarter of Section 7, Township 30 N. Range 4, E.W.M. (More particularly described in the Assignment to Tulare Beach Development Co., Inc., recorded in the office of the Snohomish County Auditor

June 6, 1949, in Volume 13 of Leases, page 516, records of Snohomish County, Washington), of which Blocks A & B of the unrecorded plat of Tulare Beach Addition No. 2 is a portion.

Unit C. The Uplands consisting of Lot 2, and the Southeast quarter of the Northeast quarter of Section 7, Township 30 N. Range 4, E.W.M., less the property included in the plat of Tulare Beach.

Section 2. To do any and all acts and things as may be provided by these By-Laws and in the manner therein provided for the administration, advancement, development and protection of said residential district.

GENERAL PROTECTION

Section 3. To acquire, maintain and improve real property within said residential district and property adjacent thereto for roads, roadways, streets, alleys, sidewalks, walkways, parkways, parking strips, boulevards, parks, gardens, recreation and pleasure grounds, and tidelands; to improve and maintain all easements of access and rights of way; and to own, establish, maintain and operate real property, buildings and equipment, Community beach and dock for social meetings and for recreation.

Section 4. To lease, purchase, receive, acquire, own and hold any and all such real estate or interest therein as may be necessary, proper or convenient for the Association in carrying out its purposes; to sell, mortgage, lease, transfer, or convey or in any manner dispose of real property or any part thereof when so acquired, except where otherwise restricted and limited in the grant thereof.

REAL ESTATE

Section 5. To lease, purchase, receive,

PERSONAL LOANS

acquire, own, hold and deal in and to sell to, mortgage, hypothecate, lease, transfer or in any manner dispose of all such personal property as may be necessary or proper or convenient for the Association or any of its purposes and to loan money belonging to the Association and take notes and mortgages and other security therefor.

NEGOTIATE
CREDIT

Section 6. To borrow money on the credit of the Association and to execute, issue and deliver its notes, bonds, coupons and other evidence of indebtedness therefor and to mortgage, pledge, or hypothecate any or all of the property of the Association and to secure said indebtedness.

WATER SUPPLY

Section 7. To own the water distribution facilities consisting of pipes, cistern, pumps and all appurtenances and to maintain, improve and operate said water distribution system as more particularly set forth herein-after in Article VI, Section 7.

ARTICLE III

Stock and Membership

Section 1. Capital stock of the Tulare Beach Association shall consist of one class of stock.

MEMBERS

Section 2. The membership of this Association shall consist of and be limited to owners or purchasers of lots or tracts within said residential district in Section 1 of Article II hereof as follows:

In Units A,B, and C, each owner or purchaser shall own one share of stock for each lot or tract so owned or purchased.

VOTING RIGHTS

Section 3. A purchaser under a contract of purchase shall be deemed an owner for membership purposes. A tract held as community property shall be entitled to one

membership. Each stockholder shall be entitled to one vote for each share of stock standing in the name of such stockholder on the books of the Association.

APPURTENANT
STOCK

Section 4. Except as otherwise provided hereinbefore, no stock shall be voted unless represented by the owner as aforescribed of an individual tract to which the stock is and shall be inseparably appurtenant.

ARTICLE IV

Trustees and Officers

NUMBER OF
TRUSTEES

Section 1. Corporate powers of the Association shall be vested in a Board of Trustees. The number of trustees who shall manage the affairs of the Association shall be . At any annual meeting or at any special meeting called therefor, the stockholders may increase or decrease the number of trustees to any number not more than nine nor less than three.

ELECTION
AND TERM
OF OFFICE

Section 2. Two trustees shall be elected to serve for a term of one year, two trustees shall be elected to serve for a term of two years, and one trustee shall be elected to serve for a term of three years and, thereafter, at each annual meeting, election of trustees shall be for a three year term. All trustees shall serve until their successors are duly elected and qualified. The majority of trustees shall constitute a quorum for the transaction of business.

Section 3. Each trustee shall be (1) a stockholder who shall own one share of stock in his own name on the books of the Association and who shall (2) not have lost his right to his stock by reason of his having disposed of the land to which it is appurtenant

TERMINATION
OF
TRUSTEESHIP

Section 4. In the event a trustee ceases to be the owner of the land to which his stock is appurtenant or of a contract for the purchase thereof, he shall thereby cease to be a trustee and his office shall become vacant upon written notification without action other than to record such a fact in the minutes of the Board of Trustees.

ELECTION OF
OFFICERS

Section 5. At the first meeting of the Board of Trustees after each annual meeting of the stockholders, the Board of Trustees shall organize by the election of a president, vice-president, secretary and treasurer, each of whom must be a trustee. The Board may also, at any time, appoint an assistant Secretary and/or an assistant Treasurer, neither of whom need be a trustee. Officers of the Association so elected shall hold office for the term of one year and until their successors are duly elected and qualified. Any officer may be suspended or removed by a majority vote of all the trustees.

SALARIES

Section 6. No trustee or officer, except the assistant Secretary and/or the assistant Treasurer shall receive any salary or compensation from the Association.

VACANCIES

Section 7. Any vacancy occurring on the Board of Trustees shall be filled by appointment by a majority of the remaining trustees. The person so appointed shall hold office until the next regular annual meeting of the stockholders of the Association at which annual or adjourned annual meetings, the vacancies for the remainder of the original term, if any, shall be filled by election by the stockholders in the regular manner.

ARTICLE V

Meetings

Section 1. Annual meetings of the stockholders of the Association shall be held at the principal place of business of the Association or at such other place as the Board of Trustees may elect. The annual meetings shall be held on the last Sunday in July of each year at an hour to be fixed by the Board of Trustees. Notice thereof shall be given by the secretary by mailing notice to each stockholder not less than ten (10) days prior to the date of the meeting.

Section 2. Special meetings of the stockholders may be called at any time by the President or a majority of the Board of Trustees or by stockholders representing ten percent (10%) of the stock of the Association. Notice of a special meeting stating the subject thereof shall be given by the Secretary by mailing such notice to each stockholder, not less than five (5) days prior to the date on which such meeting is to be held. At such special meeting, no business shall be transacted other than that mentioned in the call.

Section 3 At all annual and special meetings of the stockholders, ten percent (10%) of all the stock of the Association shall constitute a quorum for the transaction of business. Each stockholder who is current in the payment of their assessments shall be entitled to one vote for each share of stock standing in the name of such stockholder on the books of the Association. Should a quorum not be present at any annual or special meeting, the meeting shall be adjourned from time to time until a quorum can be secured.

STOCKHOLDERS
ANNUAL
MEETING

NOTICE

QUORUM STOCK
VOTE

TRUSTEES
SPECIAL
MEETINGS
NOTICE

Section 4. Special meetings of the Board of Trustees shall be called at any time by the Secretary on order of the President or a majority of the Board of Trustees. The Secretary shall give each trustee notice personally, verbally, by mail, or by telephone of all regular and special meetings at least one day previous thereto.

PROXIES

Section 5. A stockholder who desires to exercise his right to vote by proxy must deliver or cause to be delivered to the Secretary, written evidence of the agents right to act for him, provided no person shall be eligible to exercise such proxy except a stockholder or his spouse.

ARTICLE VI

Powers and Duties of Trustees

POWERS

Section 1. The trustees shall have all powers conferred upon trustees by the Laws of the State of Washington and they shall exercise the management and control of the business and affairs of the Association as provided by law and the By-Laws of the Association any amendments thereof and they shall have the power to do any and all acts necessary or expedient to accomplish and effect the purposes enumerated in the agreement of incorporation, amendments thereto and the By-Laws of the Association and amendments thereto, subject however, to the protective covenants and restrictions of the record on the properties in the residential district known as Tulare Beach and subject to the terms and condiditons herein set forth and, in addition to their general powers, the trustees shall have the following powers:

RULES AND
REGULATIONS
CONTRACTS

Section 2. To conduct, manage and control all affairs and business of the Association and to make and enforce rules and regulations therefor and to incur such expense as may be deemed proper in the administration of its affairs and to authorize the execution of contracts and obligations on behalf of the Association.

MAINTENANCE
DEVELOPMENT
AND
IMPROVEMENT

Section 3. To do any and all such acts and things in the maintenance, development and improvement of any and all properties of the Association, including roads, streets, beach property, easements of access and rights of way and of all other easements in the residential district described in Section 1 of Article II hereof, and of any and all installations which may be made therein for water distribution, sewage disposal, gas, electric power, telephone service and such other service or service lines as may be deemed useful and convenient by the Association; to incur any and all such expenditures, outlays and expenses for said purposes as may be deemed by the Board of Trustees to be proper and to provide for all such liabilities of whatsoever character which may arise in connection with any such maintenance, development or improvement.

GENERAL
ADMINISTRATION
DISTRICT

Section 4. To interpret and enforce any and all protective restrictions, conditions, covenants and reservations imposed upon any of said tracts or lots or their owners; to do any and all acts for the administration, protection and advancement of said residential district or a part thereof, including, if deemed advisable by them or by the stockholders by vote taken at a stockholders meeting, the

policing and sanitation thereof as well as providing means for protection against fire loss to improvements and for insurance against public liability and to incur any and all such expense for such purposes as may be deemed by them to be proper.

COMMUNITY
RESTRICTIONS

Section 5. To impose conditions and restrictions upon the use of tracts, areas, and lots in said residential district for any purpose not deemed for the best interests and advancement of said community: provided the same are not contrary to or inconsistent with any provisions contained in any protective restrictions, conditions, covenants and reservations or as hereinafter may be made and imposed from time to time in respect to said residential tracts, areas, and lots; and to consider and approve the plans and specifications presented, showing the construction, nature, kind, shape, height, material, and color scheme and location of dwelling houses, garages, fences and shrubs and block plan indication the location of such structure on the building site and the grading thereof and any additions to such dwelling houses and garages proposed to be erected or maintained upon the several parcels of land aforementioned. The trustees shall not approve without a consent of the majority of the stockholders of the Association, any plans and specifications showing any building upon such residential tracts or lots nearer than twenty (20) feet from the front line of the tract or nearer than any existing structure, whichever

SPECIFICATION
OF DWELLINGS

is the greater distance, or nearer than five (5) feet from any side lot line.

The ~~side~~line restriction is not applied to a garage to be located on the rear quarter of a lot. The term "lot" as used in this section means the entire area upon which the private dwelling together with appurtenant garage, if any, is located, which area shall not be less than one whole lot or tract as said lots and tracts appear on the Plat of Tulare Beach.

RESTRICTIONS
OF ISSUANCE
OF STOCK

Section 6. To issue stock only to the owners or purchasers of tracts or lots hereinafore described, subject to such conditions of transfer as are hereinafter set forth in Article VII hereof.

ASSESSMENTS

Section 7. To assess the several parcels of land in said residential district hereinafore described, and the owners thereof, all as is more particularly set forth in Article IX hereof. Apart from such assessment, every residential tract to which water is piped shall be charged reasonable rates for water. Said rates shall be based upon the cost of operation of said water system, including maintenance and improvement thereof. Until such time as meters may be installed which will measure the amount of water used upon each tract receiving water from the water system, cost of operation of the water

WATER
ASSESSMENTS

system shall be apportioned among those tracts and the owners thereof having the right to receive water from the system. Without regard to the amount of water used. After a meter system is installed, the cost of operation of said water system shall be apportioned among the users based on the amount of water used. The charges for water shall be only such as shall be necessary to pay for the operation of the system plus a reasonable reserve for future repairs, maintenance and operation, to the end that the water system shall be a non-profit operation.

Section 8. To pay all taxes and assessments lawfully assessed against the properties owned or held by the Association.

Section 9. To cause to be kept a complete record of all their minutes and acts of the proceedings of the stockholders and to present a full statement to the regular annual meeting of stockholders, showing in detail the condition of the affairs of the Association, including liabilities incurred, and an estimate of budget deemed by them to be required for the ensuing year for the purpose of the improvement, maintenance and protection of the properties of the Association and of the administration of its affairs.

RECORDS

ARTICLE VII

Powers and Duties of Officers

PRESIDENT

Section 1. President. The president shall preside at all meetings of the trustees or stockholders; he shall sign as president all certificates of stock and all contracts or other instruments in writing authorized by the Board of Trustees; he shall call special meetings of the trustees or of the stockholders whenever he deems it necessary; he shall have and exercise under the direction of the Board of Trustees the general supervision of the affairs of the Association; he shall countersign all checks signed by the Treasurers.

VICE PRESIDENT

Section 2. Vice-President. In the absence or incapacity of the President, the Vice-President when present shall have all the powers and perform all of the duties of the President. In the absence of both the President and Vice-President, the Board of Trustees may elect one of its members as temporary President, who shall have all the powers and perform all the duties of the President.

SECRETARY

Section 3. Secretary. The secretary shall keep records of all of the proceedings and meetings of the Board of Trustees and of the stockholders. He shall keep the books of certificates of stock, fill out and countersign all certificates issued, and make the corresponding entries on the stubs thereof upon such issuance; he shall keep a proper stock journal and ledger in debit and credit form, and the names of the stockholders, and the number of shares issued to or transferred by and stockholder; likewise, the date of the issuance and transfers of such shares; and he shall also if required by the trustees keep books of account showing assessments and/or water charges to be charged and collected against the various tracts and owners thereof. The seal of the Association shall be in his custody. He shall countersign all instruments and conveyances required to be signed by the President and shall affix the seal wheresoever required. He shall serve all notices required either by law of the By-Laws of the Association, and in case of his absence, inability, or refusal so to do, then such notices may be served by any person thereto directed by the President of the Association.

ASSISTANT
SECRETARY

An Assistant Secretary, if appointed by the Board of Trustees, shall perform such duties as may be designated by it.

TREASURER

Section 4. Treasurer. It shall be the duty of the Treasurer to keep safely all moneys and securities of the Association and disburse the same under the direction of the Board of Trustees. He shall cause to be deposited all funds of the Association in a bank selected by the Trustees. He shall only pay the same out on check signed by himself and countersigned by the President or such other officers of the Association as may be authorized by the Board of Trustees from time to time. At each annual meeting of the stockholders and at any special meeting if so required, he shall present a full statement showing in detail the condition of the affairs of the Association, including liabilities incurred.

ASSISTANT
TREASURER

An assistant Treasurer, if appointed by the Board of Trustees, shall perform such duties as may be designated by it.

Section 5. In the event that the Trustees so direct, a Trustee may occupy one or more offices described at the same time, that is, concurrently.

ARTICLE VIII

Certificates of Stock and Transfer

FORM OF STOCK
CERTIFICATE

Section 1. Certificates of stock in the Association shall be in substantially the following form:

No. _____ CERTIFICATE OF STOCK _____ Share

IN

TULARE BEACH ASSOCIATION

A Social Corporation of the State of Washington

Capital Stock \$1,000.00

THIS CERTIFIES that _____ is the owner of _____ share of stock in Tulare Beach Association, a social corporation, organized under the laws of the State of Washington, with its principal palce of business at Seattle, Washington, of the par value of Two Dollars (\$2.00), and by virtue thereof a member of the said corporation, and entitled to all rights and privileges as such, as conferred by and subject to its by-laws and any amendments thereof; and irrevocable assent to said by-laws and any amendments thereof hereafter adopted is hereby given by the holder hereof by acceptance of this certificate.

The stock evidenced by this certificate is appurtenant to the land described on the back hereon, and can be transferred only to a subsequent owner or purchaser of such land, as provided in the By-Laws of the corporation, provided, however, that in the event at any time the said land shall be divided in ownership, or that the ownership thereof shall be comprised of undivided interests therein, then said stock shall be divided among the owners in the proportion and in the manner provided in the By-Laws of this corporation.

This certificate is issued and accepted under and subject to all of the provisions of the By-Laws of this corporation and any amendments thereof, and, notwithstanding the capital stock is fully paid, the stockholder named herein, and in the event of transfer to a subsequent owner or purchaser of such land, the holder thereof, and the land to which said stock so evidenced is appurtenant, shall be subject to any and all such assessments from time to time which may be levied by this corporation, including costs and charges in the enforcement thereof, as provided in the By-Laws of this corporation and any amendments thereof.

DATED _____, Washington, this _____ day of _____, 19__.

TULARE BEACH ASSOCIATION
by: _____
President

ATTEST: _____
Secretary

Section 2. Such certificates shall be issued over the signature of the President and Secretary, with the official seal of the Association affixed. The certificate books shall contain a margin, on which shall be shown the number, date, name of the stockholder and description of the land set forth in the corresponding certificate.

Section 3. Except as in these By-Laws otherwise provided, there shall be endorsed on the back of each stock certificate a description of the land owned by the stockholders named therein or upon which they hold a contract of purchase, and the stock will be inseparably appurtenant to such land and may be transferred only to subsequent owners or purchasers of such land,

RECORD

STOCK
APPURTENANT
TO LAND

and no transfer shall entitle the transferee to vote the same until the certificate for the stock has been transferred and proper evidence furnished for the sale or contract of sale of the said land, and entry thereof has been made of the transfer on the books of the Association.

Section 4. For convenience in transfer thereof, all certificates of stock in the Association shall be endorsed in blank and shall be deposited with and held by the Secretary of the Association to facilitate reissue to the successor in interest of the owner of the land to which said stock is appurtenant

CERTIFICATES
DEPOSITED WITH
SECRETARY

ARTICLE IX

Assessments by Commission

Section 1. For the purpose of securing funds to pay for the capital outlays, expenditures and expenses required to accomplish any and all of the objects and purposes authorized in Article II of these By-Laws, including taxes (and assessments if and when levied by any municipal corporation), construction, improvements, maintenance and upkeep of the easements of access and service installation, and to provide for maintenance, improvements and development and administration of any and all properties owned or as may be acquired by the Association, as well as to meet the liabilities which may have arisen or may arise in connection with such construction, development and administration, each and every residential tract and the owners of each thereof (notwithstanding the capital stock is fully paid) shall be subject to such assessments as shall be determined and assessed from time to time by the Board of Trustees of the Association. The Board of Trustees shall determine the assessment to be levied on each tract on the basis of benefit conferred upon

ASSESSMENTS
ON BASIS OF
BENEFIT
CONFERRED

ASSESSMENTS
ON PROPORTION-
ATE INTERESTS

each tract in relation to each other tract. The emphasis shall be upon the value conferred rather than the size or value of the respective tracts. The determination of each assessment by the Board of Trustees of the Association shall be in all respects final and conclusive. In the event any of the lots or tract shall be divided in ownership or the ownership thereof shall be comprised of undivided interests therein, then the Board of Trustees shall assess against the several portions of any such lot, tract or parcel so divided, or the several undivided interests therein, as the case may be, and against the respective owners, such proportionate part of the amount assessed against such lots, tract or parcels as the area of each portion thereof or the fraction of each undivided interest therein bears to the whole, and the determination of the Board of Trustees in that respect shall be final and conclusive; and in such case, the shares of stock appurtenant to such lot, tract or parcel shall be divided among the owners; and the stock so divided shall be appurtenant to the respective the respective parts of or interests in said tract, lot or parcel, and liabilities shall exist and be enforceable in the same manner and with the same force and effect as herein provided with respect to stock appurtenant to each lot, tract or parcel and the owners thereof.

PAYMENT DATE

Section 2. From time to time, as and when any such assessments in this Article IX are levied, each stockholder with respect to the land or the interests therein to which his stock is appurtenant, shall pay the amount of such assessment against the same to the Association at its office within thirty (30) days after the mailing of the notice of such

assessment to the stockholder; and the amount of such assessment, together with all expenses, interest, attorneys fees and other costs reasonably incurred in enforcing the same, shall be paid by the stockholder and shall be a lien upon said land and the stock appurtenant thereto, superior to any and all other liens (except as in Section 3 of this Article otherwise provided) created or permitted by the owner of such land and enforceable by foreclosure proceedings in the manner provided by law for foreclosure of mortgages upon land; provided, that no proceedings for the foreclosure of any said liens in this Article IX provided, shall be commenced except upon the expiration of four months from and after the date of mailing the first notice of assessment in this section described. All subsequent assessments then delinquent shall be subject to said lien and foreclosure proceedings.

LIEN
FORECLOSABLE
ON NOTICE

Section 3. Valid mortgage liens placed in good faith upon any of said residential tracts which are recorded in accordance with the laws of the State of Washington shall be, from the date of the recordation of such, superior to such assessments and the liens resulting therefrom as are levied by the Association subsequent to the date of the recordation of such mortgages.

RECORDED FIRST
MORTGAGE LIEN
SUPERIORITY

Section 4. For the purpose of fixing the liability for any and all such assessments which may be made by the Association, any contract purchaser of a lot, tract or parcel or the assignees of such purchaser shall be deemed to be the owner.

CONTRACT
HOLDER DEEMED
OWNER

Section 5. Any title to the land at any time acquired under and by virtue of any proceedings whatsoever for the enforcement of any

lien or liability under these By-Laws shall always be subject to all of the reservations, limitations, restrictions, covenants, and amendments thereto of record.

ARTICLE X

Grant of Dedication

Section 1. The properties consisting of roads, roadways, streets, alleys, sidewalks, parkways, parking strips, boulevards, parks, gardens, paths, recreation and pleasure grounds, boat ramps, and water distribution facilities as well as rights of way and easements for the installation and maintenance of any service and service lines, conveyed to the Association and any and all installations of any such service or service lines made by the Association shall be subject to grant or dedication by the Association to any municipal corporation now or hereafter organized and authorized to accept the same under such terms and conditions as shall be determined by the vote of the Board of Trustees of the Association and ratified by the vote or approval in writing of a majority of the stockholders of the Association. Furthermore, said properties in this paragraph described or any thereof, shall be subject to conveyance by the Association to any corporation or corporations engaged in supplying any such service to the public, or a license to operate therein, under such terms and conditions as shall be determined by the Board of Trustees.

ARTICLE XI

Seal

The Association shall have a corporate seal bearing the following words:

TULARE BEACH ASSOCIATION
CORPORATE
SEAL
1950
STATE OF WASHINGTON

ARTICLE XII

Amendments

So long as not inconsistent with the Declaration of Establishment of Protective Restrictions, Conditions, Covenants and Reservations Affecting Certain Portions of that Residential District known as Tulare Beach, recorded on the 26th day of July, 1950 in Volume 456 of Deeds, Page 164 in the office of the Snohomish County Auditor and any amendments thereto, these By-Laws may be altered or amended or new By-Laws may be adopted at any time, provided a majority of the stockholders of the Association vote in favor thereof.

Any amendment or amendments which may be made to Section 3 of Article IX shall not affect the priority of mortgages which, at the time of the amendment or amendments, were properly recorded in accordance with the laws of the State of Washington, except as to mortgagees who consent in writing to such amendment or amendments.

-END-