

AMENDED AND RESTATED BYLAWS OF PELICAN POINT COMMUNITY ASSOCIATION

ARTICLE I

IDENTIFICATION

- 1.1 **Name.** The name of the Corporation is Pelican Point Community Association, (hereinafter referred to as the "Association").
- 1.2 **Registered Office.** The principal office and registered office shall be designated by the executive board from time to time presently designated in Grant County, Washington.
- 1.3 **Registered Agent.** As required by laws of the State of Washington, the executive board shall designate a registered agent whose address shall be identical to the registered office of the Association.
- 1.4 **Seal.** The seal of the Association shall be in such form as may from time-to-time be adopted by the executive board, except that the seal shall be circular in shape and have inscribed thereon the name of the Association and the year of its incorporation.

ARTICLE II

DEFINITIONS

- 2.1 **"Member"** shall mean each legal owner or contract purchaser of a Building Site, as defined in Section 2.2 below, in the following described developments and any other future additions situated in Grant County, Washington to wit:

Pelican Point Addition No. 1, according to the plat thereof recorded in book 6 of plats, page 32.

Pelican Point Addition No. 2, according to the plat thereof recorded in book 11 of plats, page 23.

Pelican Point Addition No 3, according to the plat thereof recorded in book 12 of plats, pages 31-32.

Pelican Point No. 4, according to the plat thereof recorded in book 13 of plats, pages 9-10.

Pelican Point Addition #5, according to the plat thereof recorded in book 15 of plats, pages 25-26.

Desert Ridge Major Plat Phase One, according to the plat thereof recorded in book 23 of plats, pages 92-96, Grant County Recorder's No. 1178805.

Sand Castle Estates No. 1 Phase 1, according to the plat thereof recorded in book 18 of plats, pages 97-99, Grant County Recorders No. 1041411.

Sand Castle Estates #2, Phase # 1, according to the plat thereof recorded in book 19 of plats, pages 90-91, Grant County Recorder's No. 1065165.

Sand Castle Estates #2, Phase #2, according to the plat thereof recorded in book 21 of plats, pages 6-7, Grant County Recorder's No. 1091271.

Sand Castle Estates #2, Phase #3, according to the plat thereof recorded in book 21 of plats, pages 91-92, Grant County Recorder's No. 1114995.

Sandcastle Estates No. 2, Phase No. 4, according to the plat thereof recorded in book 22 of plats, pages 48-50, Grant County Recorder's No. 1138209.

Sandcastle Estates No. 2, Phase No. 5, according to the plat thereof recorded in book 23 of plats, pages 42-44, Grant County Recorder's No. 1169067.

Sandcastle Estates Plats 3 and 3A, according to the plat there of recorded in book 23 of plats, pages 45-47, Grant County Recorder's No. 1169357.

(hereinafter the "Subject Property").

- 2.2 **"Building Site"** shall mean a lot or lots upon which a one-family residence has or may be built in the Subject Property.

- 2.3 **"Developer"** shall mean Pelican Point, Inc., their heirs and assigns and/or any company, corporation or individual whose principal business is promoting and selling "building sites" in the Subject Property.

ARTICLE III

PURPOSES, POWERS AND PROHIBITIONS

3.1 Purposes. Pelican Point Community Association shall be a non-profit corporation without capital stock with the following objections and purposes:

- a. To further and promote the general welfare of the membership of Pelican Point Community Association.
- b. To assess and collect dues from the membership, regulate practices, prescribe ethics, and to enforce proper conduct among its Members.
- c. To encourage cooperation and exchange of information and ideas among its Members.

3.2 Powers. The Association shall have such powers in the conduct of its affairs as are now provided by statute in RCW 24.03.035 and as may hereafter be provided by statute, or as are held lawful and necessary to carry out its objectives and purposes. Without limiting the foregoing, the Association shall have the following additional powers:

3.2.1 Agents, etc. To act as agents and/or trustees for its Members in such activities as may be authorized by the Bylaws or by the Executive Board.

3.2.2 Terminate Membership. To terminate membership of any Member as provided in the Bylaws.

3.3 Prohibitions.

3.3.1 Political. This Association shall be non-partisan, non-sectional and non-sectarian. No part of the activities of this Association shall consist of making expenditures for political campaign purposes to support or defeat any candidate for public office. The prohibition shall not apply to activities to support or defeat legislation affecting this Association.

3.3.2 Not for Profit. This Association shall not engage in any business, trade, avocation or profession for profit.

3.3.3 No Income Distribution. No part of the Association income or profit shall be distributed to its Members, directors or officers.

3.3.4 No Loans. The Association shall make no loans to its Members, Executive Board or officers. Any Executive Board Member or officer who assents to or participates in the making of any loan shall be liable to the Association for the amount of the loan until repaid.

3.3.5 No Capital Stock. This Association shall have no capital stock and shall be composed of Members rather than shareholders.

ARTICLE IV

BUILDING SITE COVENANT

4.1 Members of the Association, when offering for sale their "Building Site," shall advise the prospective purchaser that they are a Member of the Association and subject to the Articles of Incorporation and Bylaws of the Association. The Association Member selling their Building Site or sites shall incorporate this covenant in any document conveying ownership. The failure of the Association Member to comply with this paragraph does not waive the Articles of Incorporation and/or Bylaws of the Association and the right of the Association to assess the new Building Site owner or owners.

4.2 A "Developer" shall include this "Building Site Covenant" when offering or selling "Building Sites" in the Subject Property.

4.3 The Secretary and/or Treasurer of the Association shall file with the Grant County Auditor a copy of these Bylaws showing the "Building Sites" and future "Building Sites" by legal description that are affected by this "Building Site Covenant."

ARTICLE V

MEETING OF MEMBERS

5.1 Annual Meetings. The annual meeting of the membership of the Association shall be held in the month of June of each year. It shall be the responsibility of the executive board to set the specific date, time and place for the annual meeting.

5.2 Special Meetings. Special meetings of the Members may be called by the President or Executive Board at such time and place as shall be determined by the party calling the meeting. Special meetings may also be called by one-fifth (1/5) of the Members of the Association entitled to vote at such meeting.

5.3 Notice. Notice of annual and special meetings of the Members shall be delivered in person or sent to each Member entitled to vote by mail, addressed to the owner of each Building Site at the address appearing on the records of the Association, not less than ten (10) days, nor more than fifty (50) days before the time designated for such meeting. All notices of meetings shall state the time, place and purpose of the meeting.

5.4 Quorum. At any meeting of the Members, the number of Members entitled to vote, who are present in person or having voted by mail or proxy (but in no event fewer than ten percent (10%) of the Members eligible to vote) shall constitute a quorum. Officers shall be elected by the affirmative vote of a plurality of Members entitled to vote. Any action authorized by affirmative vote at any such meeting shall be necessary and sufficient to constitute action by the Members unless otherwise required by an applicable provision of law or by these Bylaws.

5.5 Voting. The owner or owners of each "Building Site" in the Association shall be entitled to one (1) vote. A "Developer" shall be entitled to one (1) vote for the "Building Site" that is their residence only.

5.6 Voting by Mail and Proxy Voting. Members of the Association shall be entitled to vote by mail or proxy at any annual or special meeting. Voting by mail or proxy shall be for a specific meeting based on the agenda for that meeting. Mail votes and proxies shall be presented to the Secretary of the Association prior to the opening of a meeting for which the mail or proxy is intended.

5.7 Order of Business. The order of business shall be as follows at all meetings of the Association and Executive Board:

- a. Calling of the roll.
- b. Reading of the minutes
- c. Receiving communications.
- d. Nominating committee report of officers and nominating from the floor. (Applies to annual meeting only).
- e. Reports of Officers.
- f. Reports of standing committees.
- g. Reports of special committees.
- h. Unfinished business.
- i. New business.

Any questions as to priority of business shall be decided by the chair without debate. The order of business may be altered or suspended at any meeting by a majority vote of the Members present.

5.8 Rules of Order. Parliamentary usage as set forth in Roberts Rules of Order, as periodically revised, shall govern at all meetings of Members, the Executive Board, and of any other committee meetings, except as they may conflict with the Association's Articles of Incorporation or Bylaws.

ARTICLE VI

EXECUTIVE BOARD

6.1 Management. The Executive Board shall consist of the office of the Association and the affairs of the Association shall be managed by the Executive Board. All corporate powers shall be exercised by the Executive Board. In addition, the Executive Board shall:

- a. Transact all business between annual and special meetings.
- b. Designate the time and place of the annual meeting, provided it shall be approximately the same each year in the month of June.
- c. Enforce the covenants running with each "Building Site."
- d. Suspend, or expel a Member for due cause on two-thirds (2/3) affirmative vote of those present and voting.
- e. Remove any officer or committee Member for due cause on a two-thirds (2/3) affirmative vote of those present voting.
- f. Adopt, alter, amend, and repeal the Bylaws, or any provision thereof and adopt new Bylaws.
- g. Authorize the Secretary-Treasurer to pay obligations owed by the Association.
- h. Review and act upon policies recommended by committees and suggest policy matters to committees for coordination efforts and guidance for the mutual benefit of the Members of the Association.
- i. Appoint an auditing committee of at least three (3) voting Members who are not officers of the Association at the close of each fiscal year.
- j. Appoint a nomination committee to recommend a new slate of officers sixty (60) days prior to June 1st of each year.

6.2 Past President. The immediate past President of the Association shall continue in office as a Member of the Executive Board for one (1) year following his tenure of office as President of the Association.

6.3 Vacancies. Any vacancy in the Executive Board, whether caused by death, disqualification, suspension or increase in the number of board members may be filled for the unexpired term by the President with the approval of the Executive Board.

6.4 Meetings.

6.4.1 Regular Meetings. Regular meetings of the Executive Board shall be held each year prior to and following the annual membership meeting.

6.4.2 Special Meetings and Notice of Special Meetings. Special meetings of the Executive Board may be called by the President or by a majority of the voting Members of the Executive Board. Notice of any special meeting must be given in person or in writing not less than seven (7) days prior to the meeting. All notices of special meetings shall state the time, place and agenda of the meeting.

ARTICLE VII

OFFICERS

7.1 Designation. The officers of the Association shall be the President, 1st Vice President, 2nd Vice President, Secretary, Treasurer and immediate past President.

7.2 Qualifications. Officers must be voting Members of the Association and Members in good standing with the Association. Any Building Site owner or Member in good standing shall be eligible to hold office in this Association; provided, however, no more than one (1) person from a

Building Site ownership shall hold a position as an officer of the Association at any one time. A Developer is not authorized to hold a position as an officer.

7.3 Election. Nominations and election of officers shall be held at an annual meeting of the Association in June of each year.

7.4 Term. The term of office of President, 1st Vice President, 2nd Vice President, Secretary/Treasurer shall be for a period of one (1) year. The term of office shall begin July 1 of each year.

7.5 Removal of Officers.

7.5.1 Generally. Any officer may be removed at any time upon due cause shown by the President upon approval of the Executive Board.

7.5.2 President. The President may be removed at any time upon due cause shown and approved by three-fifths (3/5) vote of the entire Executive Board.

7.6 Vacancies. Any vacancy in any office, whether caused by death, resignation, and disqualification or otherwise, may be filled for the unexpired term by the President with the approval of the Executive Board.

7.7 The President. The President shall be the chief executive officer of the Association and shall have general supervision over the affairs of the Association, subject, however, to the control of the Executive Board. He shall preside at all meetings of Members and at all meetings of the Executive Board and shall be the chairperson of the Executive Board. He or she shall appoint the chairperson and the Members of all committees, except as otherwise provided in these Bylaws, and he shall be an ex officio member of all committees. In general, he or she shall perform all of the duties incident to the office of chief executive officer of a membership corporation and such other duties as are provided for in these Bylaws and as from time-to-time as may be assigned to him by the Executive Board.

7.8 First Vice President. The 1st Vice President shall be the president elect. In case of the death or absence of the President, or of his inability from any cause to act, the 1st Vice President shall perform the duties of his office, and, in so acting, shall have the powers of and be subject to all of the restrictions upon the President, assigned to him by the President.

7.9 Second Vice President. The 2nd Vice President shall be second to the 1st Vice President and in case of the death or absence of the President and 1st Vice President, or of their inability from any cause to act, the 2nd Vice President shall perform the duties of the President, and in so acting shall have the powers of and be subject to all of the restrictions upon the President. The 2nd Vice President shall perform any other duties as may from time to time be assigned to him or her by the President.

7.10 Secretary and/or Treasurer. It shall be the duty of the Secretary and/or Treasurer to give notice of and attend all meetings of the Association and keep a record of their doings; to conduct all correspondence and to carry into execution all orders, votes, and resolutions not otherwise committed; to keep a list of the Members of the Association showing names and addresses of each Member, and cause and date of any termination of membership; to collect the dues and/or special assessments. The Secretary and/or Treasurer shall deposit all funds in the Association bank account and make an accounting to the Executive Board at their request. The Secretary and/or Treasurer shall disburse funds from the Association bank account at the direction of the Executive Board. The Secretary and/or Treasurer shall give a fidelity bond of an amount set by the Executive Board for the faithful performance of his or her duties. Said bond shall be approved by the Executive Board and the premium thereof shall be paid by this Association. At the expiration of his or her term of office, the Secretary and/or Treasurer shall deliver over to his or her successor, all books, monies, and other property, or, in the absence of a Secretary and/or Treasurer elect, to the President. In the absence or disability of the Secretary and/or Treasurer, the Executive Board may appoint a Secretary and/or Treasurer pro tem.

ARTICLE VIII

FINANCES

8.1 Fiscal Year. The fiscal year shall begin January 1 of each year and end on December 31. The fiscal year may be changed by the Executive Board.

8.2 Dues and/or Assessments. Dues and/or assessments are payable when billed and past due thirty (30) days thereafter. Dues and/or assessments shall be assessed each Building Site owner on an equal basis in an amount not to exceed Ten Dollars (\$10) per month.

8.3 Default in Payment of Dues and/or Assessments. Any Member that fails to pay their dues and/or assessments within thirty (30) days from the time they become due shall be considered delinquent. If payment of such past dues are not made within the next succeeding thirty (30) days, the Member shall forfeit all rights and privileges of membership. The Executive Board is authorized to impose interest on any delinquent amounts more than sixty (60) days past due and to take action to collect and/or add legal costs to the delinquent amounts past due. Delinquent dues and/or assessments, including legal fees incurred to collect, shall constitute a lien on the effected "Building Site" and shall become a personal obligation of the Building Site owner or the succeeding Building Site owner. The Board of Directors of Pelican Point Community Association, Inc. may authorize the Secretary and/or Treasurer of the Association to file a record with the Grant County Auditor at any time after a Member is more than sixty (60) days delinquent, a lien on the affected "Building Site" for the amount of the delinquent amount plus legal interest and any legal fees incurred by the Association. Upon payment in full thereof, the Secretary and/or Treasurer of the Association shall execute and file a record of release of the lien or liens and the affected Building Site owner or owners shall be reinstated as Members in good standing of the Association.

All charges, dues and assessments shall be determined on each Building Site, which is subject to such charges, dues and assessments in the following manner:

- a. In equal proportions against each Building Site owner as set forth in Article VIII – Finances, subparagraph 8.2.
- b. In accordance with services or improvements rendered directly by the Association for each Building Site owner.
- c. In a sufficient amount against a Building Site owner or owners misusing the community common areas or other property or facilities of the Association by a Building Site owner, their guests, invitees, agents or representatives.
- d. By such other methods as shall equally distribute the costs incurred by the Association to each affected Building Site owner or owners.
- e. There shall be no refund of dues and/or assessments when membership in the Association is terminated by expulsion from membership, death, or sale of a Building Site.
- f. The Executive Board may, by majority vote, recommend special assessments, but not to exceed Five Dollars (\$5.00) per month unless approved by a ninety percent (90%) affirmative vote of the Association Members in good standing at the annual or special Association meeting called for this specific purpose. If the approval is granted, all Building Site owners are required to pay the assessment.

8.4 Annual Budget. The Board of Directors shall prepare an annual budget and recommend same for approval by a majority of the Members present and/or voting by mail or proxy and qualified to vote at the annual meeting. The recommended budget shall be in sufficient amount to refinance the expenditures contemplated to sufficiently carry out the business of the Association for the benefit of the Members, but not to exceed Ten Dollars (\$10) per month on each Building Site owner.

8.5 Audits. The Association books of account(s) shall be audited at least once a year. Three or more Building Site owners that are Members in good standing and not officers of the Association shall be appointed by the President with the approval of the Executive Board and the results of said audit shall be reported to the membership.

8.6 Indemnification. Any person made a party to any action, suit or proceeding, whether civil or criminal, by reason of the fact that he or she is or was a Member of the Executive Board, officer, or employee of the Association, shall be indemnified by the Association against the reasonable expense, including attorney's fees, actually and necessarily incurred by them in connection with the defense of such action, suit or proceeding or in connection with any appeal therein, except in relation to matters as to which it shall be judged in such action, suit or proceeding that such officer, Executive Board Member or employee is liable for negligence or misconduct in the performance of their duties.

ARTICLE IX

COMMITTEES

9.1 Appointment. There shall be two types of committees and they shall be termed standing committees and special committees. The President shall appoint a committee chairperson and the Members of the committees, immediately following the annual Association meeting, and may fill any vacancy which may arise; provided, however, in the case of special committees, the President shall designate one or more Members of the Executive Board to be Members of such committees; provided, further, that no special committee shall have the authority of the Executive Board in reference to:

- a. Amending, altering or repealing the Bylaws;
- b. Electing, appointing, or removing any Member of any such committee or any Executive Board Member or officer of the Association;
- c. Amending the Articles of Incorporation;
- d. Adopting a plan of merger or a plan of consolidation with another association;
- e. Authorizing the sale, lease, exchange, or mortgage, of all, or substantially all, of the property and assets of the Association;
- f. Authorizing the voluntary dissolution of the Association, or invoking proceedings therefor; or
- g. Amending, altering or repealing any resolution of the Executive Board which, by its terms, provided that it shall not be amended, altered or repealed by any such committee.

9.2 Qualifications and Tenure. Any Member in good standing with the Association shall be eligible for a committee function; provided, however, not more than one (1) person from any particular Building Site shall be eligible to serve on the same committee at any one time. The tenure of office of any committee person shall be identical to that of the President.

9.3 Standing Committees. The standing committees and their functions, are as follows:

9.3.1 Covenants Committee. The covenants committee shall consist of at least three (3) and not more than five (5) Building Site owners eligible to vote and in good standing with the Association. The committee shall be responsible for reviewing every building application to determine if said applicant's proposed building and/or improvement complies with Pelican Point Community Association, Inc., building covenants and any amendments to those covenants. The committee will report its findings directly to the Executive Board with their recommendations within ten (10) days after receipt of the building and/or improvement application. The decision to approve or disapprove the applicant rests solely with the Association's Executive Board. In addition to reviewing all building and/or improvement applications, the committee will report any and all covenant violations brought to its attention directly to the Executive Board.

9.3.2 Safety, Education and Beautification Committee. The safety, education and beautification committee shall consist of at least three (3) and not more than five (5) Members in good standing with the Association. This committee shall be responsible for promoting better relations and understanding between Members, including obtaining speakers and/or programs when called upon by the President or the Executive Board at annual or special meetings of the Association. This committee will also be responsible for reporting fire or other safety hazards in the community to the Executive Board with their recommendations.

9.3.3 Grievance Committee. The grievance committee shall receive, study and determine the validity of all complaints against Association Members when said complaints are in writing. When a Building Site owner does not agree to accept the decision of the committee and corrects the violation, he or she has the right to appeal the decision to the Executive Board. That appeal shall be heard in private session at the next annual or special meeting of the Executive Board. Both complainant and defendant shall be invited to

appear to present their respective views. The Executive Board shall then go into executive session to make its decision and having reached it, shall make it known to the parties involved. The decision of the Executive Board will be final insofar as the Association is concerned. Should the parties be adversely affected by the Executive Board's decision not to accept or abide by that decision, they may seek remedy through the courts at their own expense.

ARTICLE X

BYLAWS

10.1 Copies of Bylaws. Each Member, on demand, shall be entitled to be supplied with a copy of the current Bylaws and all subsequent amendments.

10.2 Amendments. The power to adopt, alter, amend, and repeal the Bylaws or any provision thereof and adopt new Bylaws shall be vested exclusively in the Board and may be exercised at any regular or special meeting of the Board called for that purpose.

ARTICLE XI

PROPRIETARY RIGHT

It is mutually agreed that there is no means of estimating the value of membership in this Association and upon the death of any Building Site owner, his heirs shall have no proprietary right in this Association. The Executive Board, however, may fix a sum which they may donate to the estate in an amount not to exceed the balance of the fiscal year's dues, providing they have been prepaid by the Building Site owner. In the event of the insolvency of any of the Members, membership in the Association will automatically cease. Membership shall not be considered to be a proprietary interest in the Association and it shall be considered that the benefits received have offset the amounts contributed to the Association.

ARTICLE XII

EFFECTIVE DATE

These Bylaws shall become effective as of January 25, 2010.

/Signature/ Wendy Hanover
Secretary

/Signature/ Gary Castle
President

CERTIFICATION

As the duly elected and qualified Secretary of Pelican Point Community Association, I hereby certify that the above is a true and correct copy of the Amended and Restated Bylaws of Pelican Point Community Association adopted by the Board of Directors on January 25, 2010.

/Signature/ Wendy Hanover
Secretary

3/5/10
Date