

**NAUTICA SOUNDVIEW CONDOMINIUM OWNERS ASSOCIATION
BYLAWS AMENDMENT**

The Members of the Nautica Soundview Condominium Owners Association ("Association") have exercised their authority under the Nautica Soundview Condominiums Declaration ("Declaration") and the Association's Bylaws ("Bylaws") to amend the Bylaws as stated below.

AMENDMENT

A. To establish term limits for Directors of the Board, the following sentence is added to the end of Bylaws Section 3.1 "Number, Term and Qualifications":

A Director shall not serve more than two consecutive terms on the Board, whether full or partial terms, unless members holding at least 67% of the votes in the Association vote (in person or by proxy) to re-elect the director to a third term. After an absence from the Board of two years (election cycles), a former director may be elected to the Board to serve up to another two consecutive terms.

CERTIFICATE OF ADOPTION

The President and Secretary of the Association certify that the Bylaws have been amended as stated above and that this Amendment supersedes and replaces any inconsistent provisions in effect at the time this Amendment was adopted.

DATED THIS 9 day of SEPTEMBER, 2016.

NAUTICA SOUNDVIEW CONDOMINIUM
OWNERS ASSOCIATION

By: _____

Its President

ATTEST: The above amendment was properly
adopted.

By: _____

Its Secretary

NAUTICA SOUNDVIEW CONDOMINIUM OWNERS ASSOCIATION
BYLAWS AMENDMENT

The Members of the Nautica Soundview Condominium Owners Association ("Association") have exercised their authority under the Nautica Soundview Condominiums Declaration ("Declaration") and the Association's Bylaws ("Bylaws") to amend the Bylaws as stated below.

AMENDMENT

A. *Bylaws Article 3, Section 3.1, is hereby amended and, as amended, is restated as follows:*

Section 3.1 Number, Term and Qualifications.

Number. The affairs of the Association shall be governed by a Board comprised of five (5) individuals, all of whom shall be Unit Owners. No more than one (1) co-Owner of a Unit may serve as a Director at the same time. If a corporation is a member of the Association, any one of its officers, directors, or shareholders may be elected to the Board; if a partnership is a member, any one partner of such partnership may be elected to the Board.

Term. The normal term of office for Directors shall be three years and until a successor is elected or appointed and takes office. A Director takes office upon adjournment of the meeting at which they were elected or appointed. A Director shall not serve more than two consecutive terms on the Board, whether full or partial terms, unless members holding at least 67% of the votes in the Association vote (in person or by proxy) to re-elect the director to a third term. After an absence from the Board of two years (election cycles), a former director may be elected to the Board to serve up to another two consecutive terms.

Member in Good Standing. Each Director must be a Member In Good Standing. A member who is not a Member in Good Standing is ineligible for election or appointment to the Board. By operation of this Section 3.1 Member in Good Standing requirement, a Director who is not a Member in Good Standing is deemed to have conditionally resigned from the Board. This resignation is conditioned upon the Board acting to accept the resignation. The resignation is not effective until the Board, acting in its sole discretion and in what it believes to be the best interests of the Association, acts to accept the resignation.

"In Good Standing" used here means a person who

Has not been found or plead guilty to a felony;

Is not a party in any proceeding in which the Association is an adverse party;

Is not more than sixty (60) days delinquent in payment of an Assessment;

Has signed the Director Code of Conduct;

Has certified in writing that the individual has read the Declaration, Bylaws, and Rules; and

Has not missed two consecutive Board meetings, nor three Board meetings within twelve months.

CERTIFICATE OF ADOPTION

The President and Secretary of the Association certify that the Bylaws have been amended as stated above and that this Amendment supersedes and replaces any inconsistent provisions in effect at the time this Amendment was adopted.

DATED THIS ___ day of November, 2018.

NAUTICA SOUNDVIEW CONDOMINIUM
OWNERS ASSOCIATION

By: _____

Its President

ATTEST: The above amendment was properly
adopted.

By: _____

Its Secretary

**BYLAWS
OF
NAUTICA SOUNDVIEW CONDOMINIUM OWNERS ASSOCIATION**

Nautica Soundview Condominium Owners Association is a corporation organized under RCW Chapter 24.03, the Washington Nonprofit Corporation Act. These Bylaws provide for operation of Nautica Soundview Condominiums (the "Condominium"), located in Everett, Washington, created pursuant to the Washington Condominium Act (RCW 64.34, the "Condominium Act"). They apply to the entire Condominium, each Unit therein, and all Common Elements. Each Owner automatically, by virtue of such ownership, becomes a member of the Association. All present and future Owners, Mortgagees and other encumbrancers, lessees, tenants, licensees, occupants of Units, their guests and employees, and any other person who may use the facilities of the Condominium are subject to these Bylaws, the Condominium Declaration for Nautica Soundview Condominiums recorded in Snohomish County, Washington, as it may from time to time be amended (the "Declaration"), and the rules and regulations pertaining to use and operation of the Condominium. Capitalized terms used herein and not otherwise defined have the meaning given to them in the Declaration.

ARTICLE 1 MEMBERSHIP; VOTING

Section 1.1 Membership. The qualifications for membership in the Association are as set forth in the Declaration. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members of the Association.

Section 1.2 Number of Votes. Each Unit Owner is entitled to the number of votes as set forth in the Declaration.

Section 1.3 Voting by Multiple Owners. Multiple Owners of a Unit, such as joint tenants, tenants in common, husband and wife, or other ownership involving more than one Owner, shall be joint members of the Association, but the sum total of their vote shall not exceed the voting power allocated to the Unit owned. If only one of the multiple Owners of a Unit is present at a meeting of the Association, that Owner is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners is present, then the votes allocated to that Unit may be cast only in accordance with the majority agreement of the present Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other present Owners of the Unit. If there is no majority agreement, the vote of those Owners shall not be counted.

Section 1.4 Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for the Unit. 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 Unit, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Unit, except in cases in which the person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by 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. 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 Unit shall be the group composed of all of its Owners.

Section 1.5 Voting by Proxy; Pledged Votes to Mortgagee. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of a Unit may register protest to the casting of votes by the other Owners of the Unit through a

duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates 11 months after its date of issuance. An Owner may, but shall not be obligated to, pledge his or her vote on all issues or on specific issues to a Mortgagee. If the Board has been notified by the Mortgagee that it is enforcing its right to vote pursuant to such pledge, only the vote of the Mortgagee will be recognized on the issues that are subject to the pledge; provided, however, that if the Board has received such notices from more than one Mortgagee, the Mortgagee holding the Mortgage with the highest level of priority among the Mortgages held by those Mortgagees shall be entitled to vote.

Section 1.6 Persons Under Disability. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of his estate, through a parent having custody of the minor.

Section 1.7 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 Unit 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 Unit or any interest therein and any Mortgages thereon.

ARTICLE 2 MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the members of the Association shall be held at such suitable place as may be convenient to the membership and designated from time to time by the Board.

Section 2.2 Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year on a date fixed by the Board, which date shall not be less than 10 nor more than 60 days after notice of the meeting is given to the members. At such annual meeting the Owners shall elect members to the Board or fill vacancies therein, and transact such other business as shall properly come before the meeting.

Section 2.3 Budget Meeting. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all of the members and set a date for a meeting of the members to consider ratification of the budget, which date shall be not less than 14 nor more than 60 days after mailing the summary. Unless at the meeting members holding a majority of the votes in the Association vote to reject the budget, the budget is ratified, whether or not a quorum is present for the meeting. In the event the proposed budget is rejected or the required notice for the meeting is not given, the budget last ratified by the Owners shall be continued until a budget proposed by the Board is ratified.

Section 2.4 Special Meetings. A special meeting of the Association may be called by the president, by resolution of the Board or upon the written request of a majority of the Board or upon the written request of Owners having not less than 20% of the votes in the Association not less than 10 nor more than 60 days in advance of the meeting. No business shall be transacted at a special meeting except as stated in the notice given therefor unless consented to by each of the Owners present either in person or by proxy.

Section 2.5 Notice of Meetings. It shall be the duty of the secretary to give notice of each annual budget and special meeting. Such notice shall be hand-delivered or sent prepaid by first-class United States mail to the mailing address of each Unit or to any other mailing address designated in

writing by the Unit Owner, to each member of the Association and to each Eligible Mortgagee, if required by Article 26 of the Declaration. The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer. Before, during or after any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

Section 2.6 Quorum. The presence in person or by proxy of members of the Association or voting representatives holding 25% of the votes in the Association shall constitute a quorum for the transaction of business at any meeting of members of the Association. If a quorum is present at a meeting, a majority of the shareholders present may adjourn the meeting from day to day or to such time and place as may be decided by and no notice of such adjournment need be given. No business shall be transacted at an adjourned meeting that could not have been transacted at the meeting from which the adjournment was taken.

Section 2.7 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 2.8 Manner of Acting. Except as otherwise provided by the Condominium Act by the Declaration, 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 2.9 Voting by Mail. The Board may decide that voting of the members shall be by mail with respect to any particular election of the Board or with respect to adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by Owners is required by the Declaration or Bylaws, in accordance with the following procedure:

(a) In case of election of directors by mail, the existing directors shall advise the Secretary in writing of the names of nominees for all directors to be elected and of a date not less than 50 days after such advice is given by which all votes are to be received. The Secretary, within five days after such advice is given, shall give written notice to all Owners of the number of directors to be elected and of the names of the nominees. The notice shall state that any such Owner may nominate an additional candidate or candidates, not to exceed the number of directors to be elected, by notice in writing to the Secretary at the address specified in the notice, to be received on or before a specified date not less than 15 days from the date the notice is given by the Secretary. Within five days after the specified date, the Secretary shall give written notice and/or ballot to all Owners stating the number of directors to be elected, the names of all persons nominated by the Board, the names of persons nominated by members and the date by which votes of the Owners must be received by the Secretary at the address specified in the notice. Votes received after that date will not be effective. All persons elected as directors pursuant to an election by mail shall take office effective on the date specified in the notice for the receipt of votes.

(b) In the case of a vote by mail relating to any other matter, the Secretary shall give written notice and/or ballot to all owners, which shall include a proposed written resolution setting forth a description of the proposed action and shall state that the Owners are entitled to vote by mail for or against the proposal by delivering the vote on or before a specified date not less than 20 days after the notice to the address specified in the notice. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than a majority of the

votes entitled to be cast on such question, unless a greater or lesser voting requirement is established by the Declaration or Bylaws for the matter in question.

(c) Delivery of a vote in writing to the specified address shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section 2.9.

Section 2.10 Written Ballot. At the discretion of the Board, any matter which might come before the Association at a meeting, including election of directors, may be determined by written ballot, rather than at a meeting. Ballots shall be sent to all Unit Owners in the same manner as notice of meetings, with a specified deadline for return of ballots. Ballots for such meetings must be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter presented shall be based upon the required percentage of ballots returned, unless approval of a specified percentage of all voting power is required by law, the Declaration or these Bylaws. The vote by ballot shall be determined by the Board within 48 hours of the deadline for return of ballots. Within 10 days after the ballots have been counted, each Unit Owner shall be notified by mail or other delivery of written notice of the results of the ballot or that a quorum of ballots was not returned.

Section 2.11 Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors (annual meeting or special meeting called for such purpose);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

Section 2.12 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.

Section 2.13 Presumption of Assent. A member of the Association present at a membership meeting at which action is taken on any matter put to a vote of the membership shall be presumed to have assented to the action taken unless that member's dissent or abstention is entered in the minutes of the meeting, or unless such member files a written dissent or abstention to such action with the person acting as secretary of the meeting before the adjournment thereof, or forwards such dissent or abstention to the secretary of the Association immediately after the adjournment of the meeting. The right to dissent or abstain shall not apply to a member who voted in favor of an action.

Section 2.14 Minutes. Minutes of all membership meetings shall be recorded by the secretary of the Association or by another person designated by the board of directors. Minutes for every meeting shall be approved by the Association before or at the next Association meeting.

Section 2.15 Action of Members by Communications Equipment. Any action required or which may be taken at a meeting of the members may be taken by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting may hear the other

participants at the same time and participation by such means shall constitute presence in person at such meeting.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 Number, Term and Qualifications. The affairs of the Association shall be initially governed by a Board of two directors. Prior to the Transition Date, the Declarant shall designate and remove the members of the Board pursuant to Article 14 of the Declaration, subject to the right of the Owners to elect a member or members, as provided in Section 14.1 of the Declaration. Not later than sixty days after conveyance of twenty-five percent of the units which may be created to Unit Owners other than Declarant, the Board shall be increased to three directors. The third director shall be elected by Owners other than the Declarant. Directors designated by the Declarant need not be Owners. Within 30 days after the Transition Date, the Declarant or the Board shall call a special meeting of the Owners to elect a Board of five directors. The directors elected at that meeting shall serve until the first day of the calendar month following the date of adjournment of the first annual meeting. Thereafter, the term of office for directors will begin on the first day of the calendar month following the date of adjournment of the annual meeting at which they are elected. The normal term of office for directors will be for three years and until their successors are elected and take office. However, to provide for staggered terms, at the first annual meeting, one-third of the number of directors (or the whole number nearest to one-third) shall be elected for one year, the same number shall be elected for two years, and the remainder shall be elected for three years. A majority of the directors elected by the Owners after the Transition Date shall be members of the Association. If a corporation is a member of the Association, any one of its officers, directors, or shareholders may be elected to the Board; if a partnership is a member, any one partner of such partnership may be elected to the Board.

Section 3.2 Powers and Duties. The Board shall have the powers and duties provided for the administering authority of the Condominium in the Condominium Act and in the Declaration, and all other power necessary for the administration of the affairs of the Association, and may do all such acts and things as are not prohibited by statute or by the Declaration required to be done in another manner. The Board may delegate the Board's administrative responsibilities to a Managing Agent including, without limitation, those responsibilities set forth in Article 7 of these Bylaws.

Section 3.3 Vacancies. Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so selected shall be a director until a successor is elected at the next annual meeting of the Association to serve the balance of the unexpired term.

Section 3.4 Removal of Directors. At any regular or special meeting after the Transition Date, any one or more of the directors may be removed, with or without cause, by members holding 67% of the votes in the Association and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting. Prior to the Transition Date, the Unit Owners other than the Declarant may remove any one or more of the directors (other than directors appointed by the Declarant), with or without cause, by members holding 67% of the votes among themselves and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term.

Section 3.5 Compensation. No compensation shall be paid to directors for their services as directors.

Section 3.6 Organization Meeting. The first meeting of the newly elected Board after the Transition Date shall be held within ten days of election at a place to be fixed by the directors at the meeting at which the directors were elected, and no notice shall be necessary to the newly elected directors in order legally to call the meeting, providing a majority of the whole Board shall be present at the meeting.

Section 3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director personally or by mail, telephone, or facsimile, at least three days before the day fixed for the meeting.

Section 3.8 Special Meetings. Special meetings of the Board may be called by the president on three days' notice to each director, given personally or by mail, telephone, or facsimile, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by either the president or secretary in like manner and on like notice on the written request of any two directors.

Section 3.9 Waiver of Notice. Before any meeting of the Board, any director may, in writing, waive notice of such meeting. Attendance by a director at any meeting of the Board shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 3.10 Quorum. A quorum of the Board shall be deemed present throughout any meeting of the Board if a majority of Directors are present at the beginning of the meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At the adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.11 Open Meeting. Any Owner or voting representative may attend any meeting of the Board but shall not be entitled to participate except with the consent of the Board. The Board may, however, go into private, executive session to consider the employment or dismissal of the managing agent or other persons employed by the Association, or to hear complaints or charges brought against such person, unless the person requests a public hearing, or to discuss with legal counsel litigation in which the Association is or is likely to become a party if public discussion would adversely affect the interests of the Association in such litigation.

Section 3.12 Action of Directors by Communications Equipment. Any action required or which may be taken at a meeting of directors or of a committee thereof may be taken by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting may hear the other participants at the same time.

Section 3.13 Action of Directors by Written Consent. Any corporate action required or permitted by the articles of incorporation, the bylaws, or the laws of the State of Washington to be taken at a meeting of Directors, or committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or committee members, as the case may be, entitled to vote with respect to the subject matter thereof. Such written consent may be signed in two or more counterparts, each of which shall be deemed an original and all of which, taken together,

shall constitute one and the same document. Such consent shall have the same force and effect as a unanimous vote and may be described as such.

Section 3.14 Duties of Directors. A Director shall perform the duties of a Director, including the duties of a member of any committee of the Board upon which the Director may serve, in good faith, in such manner as the Director believes to be in the best interests of the Association. A Director appointed by the Declarant during the period of declarant control (if any) is required to exercise the degree of care required of fiduciaries of the Unit Owners. A Director elected or appointed by Unit Owners (including Declarant after the period of declarant control) is required to exercise ordinary and reasonable care, including reasonable inquiry as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Association whom the Director believes to be reliable and competent in the matter presented;

(b) Counsel, public accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or

(c) A committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Articles of Incorporation or Bylaws as to matters within its designated authority, which committee the Director believes to merit confidence;

as long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

ARTICLE 4 OFFICERS

Section 4.1 Designation. The principal officers of the Association shall be a president, a vice president, a secretary, and a treasurer, all of whom shall be elected by and from the Board. The directors may appoint from the Board such other officers as in their judgment may be necessary or desirable. Two or more offices may be held by the same person, except that a person may not hold the offices of president and secretary simultaneously.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the first Board meeting after the annual meeting of the Association. They shall hold office at the pleasure of the Board.

Section 4.3 Removal of Officers. At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause. A successor to the removed officer may be elected at any such meeting.

Section 4.4 President. The president shall be the chief executive officer of the Association. The president shall preside at all meetings of the Association and of the Board and shall have all powers and duties usually vested in the office of the president.

Section 4.5 Vice President. The vice president shall perform the duties of the president when the president is absent or unable to act, and shall perform such other duties as may be prescribed by the Board.

Section 4.6 Secretary. The secretary shall keep the minutes of all meetings of the Board and of the Association and shall have custody of the business records of the Board and the Association, other than financial records kept by the treasurer. The secretary shall also perform such other duties as may be prescribed by the Board.

Section 4.7 Treasurer. The treasurer shall have responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.

Section 4.8 Other Officers and Employees. Other officers of the Association and any persons employed to assist the officers, shall have such authority and shall perform such duties as the Board may prescribe within the provisions of the applicable statutes, the Declaration, and these Bylaws.

Section 4.9 Compensation. The officers shall not be entitled to compensation for their service as officers.

Section 4.10 Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

ARTICLE 5 COMMITTEES

Section 5.1 Committees of Directors. The Board may appoint one or more committees that consist of one or more directors. Such committees, if composed entirely of Board members, shall have and exercise, to the extent provided in the resolution establishing the committee, the authority of the Board in the management of the Association. If a committee is not composed entirely of Board members, it shall not have the authority of the Board in the management of the Association. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the Condominium.

Section 5.2 Other Committees. Other committees, not having or exercising the authority of the Board in the management of the Association, may be appointed by the president or the directors, and such committees may be composed of one or more members of the Association.

Section 5.3 Limitation on Committees. No committee shall have the authority to: amend the articles of incorporation; adopt or amend bylaws; recommend the sale, lease or transfer of substantially all the assets of the Association; recommend a voluntary dissolution of the Association; declare distributions; make assessments; approve a plan of merger, consolidation or exchange; or take any action prohibited under RCW 24.03 or otherwise reserved to the full Board of Directors or to the members of the Association.

ARTICLE 6 HANDLING OF FUNDS

Section 6.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Condominium. The Treasurer shall be responsible for supervising the funds of the Association. Once the Association begins making Assessments, it shall keep at least three separate funds as described in Sections 6.2, 6.3, and 6.4.

Section 6.2 Working Capital Account. There shall be established a checking account in a commercial bank to be known as the "Working Capital Account." This account will be used for the normal operation of the Condominium and will receive all monthly Assessments, first purchasers' initial working capital contributions to the Association, and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the Condominium and maintenance expenses that do not require resort to the Reserve Fund for Common Elements. Funds for the Reserve Fund for Insurance Premiums, the Reserve Fund for Common Elements and any other special fund that may be established will normally be deposited in the Working Capital Account and checks immediately issued to the other fund so an overall account of the funds received and disbursed by the Association is centralized in the ledger of the Working Capital Account.

Section 6.3 Reserve Fund Account. Once the Association begins making Assessments, there shall be established one or more accounts in a commercial bank to be known as the "Reserve Fund Account." This account shall contain the following "funds" and any "funds" to be created in the future: the Reserve Fund for Common Elements and the Reserve Fund for Insurance Premiums. These reserve funds may be combined in one or more checking accounts, savings accounts, certificates of deposit, or other accounts or deposits. The Association shall maintain a ledger with the current balance of each reserve fund. Withdrawals of reserve funds shall require the signature of at least two persons who are officers or directors of the Association.

Section 6.3.1 Reserve Fund for Insurance Premiums. Once the Association begins making Assessments, it shall maintain a fund which shall be known as the "Reserve Fund for Insurance Premiums" in the Reserve Fund Account. Each month the treasurer shall cause to be deposited into this fund an amount equal to at least one-twelfth of the total cost of all premiums for the policy or policies and bonds the Association is required by the Declaration to purchase. Such premiums shall be paid out of this fund.

Section 6.3.2 Reserve Fund for Common Elements. Once the Association begins making Assessments, it shall maintain a fund which shall be known as the "Reserve Fund for Common Elements" in the Reserve Fund Account. The Treasurer shall deposit to this reserve account amounts reasonably anticipated to be required for the periodic maintenance, repair, and replacement of the Common Elements.

Section 6.4 Combination and Deposit or Investment of Funds. All funds of the Association shall be kept in accounts or deposits that are insured by agencies of the United States. The funds of the Association shall not be commingled with the funds of any other association or with the funds of any manager of the Association.

ARTICLE 7 KEEPING RECORDS AND REPORTS

The Board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers, and other records of the Association shall be available for examination by the Owners, Mortgagees, and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

ARTICLE 8 ADMINISTRATIVE AND FINANCIAL PROVISIONS

Section 8.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 8.2 Contracts. The Board, except as otherwise provided in the Bylaws, may by resolution authorize any officer or agent of the Association to enter into any contract or execute and deliver any instrument in the name of and behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have power or authority to bind the Association in any contract or engagement or to pledge its credit or to render it liable for any purpose in any amount.

Section 8.3 Checks, Drafts, Etc. Except as otherwise specifically determined by resolution of the Board, or as otherwise required by the laws of the State of Washington, checks, drafts, promissory notes, orders for the payment of money or other evidence of indebtedness of the Association shall be signed by such officer or officers, or agent or agents, of the Association and in such manner as is from time to time determined by resolution of the Board.

Section 8.4 Books and Records. The Association shall keep at its registered office, its principal office in Washington, or at its secretary's office in Washington, the following:

- (a) The Association's current Articles of Incorporation and any amendments thereto;
- (b) The Association's current Bylaws and any amendments thereto;
- (c) The Association's records of accounts and finances;
- (d) The name and addresses of the Association's current officers and directors; and
- (e) Minutes of the proceedings of the Board, and any minutes, which may be maintained by committees of the Board. Records may be written or electronic if capable of being converted to writing.

Section 8.5 Copies of Resolutions. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board when certified by the president or secretary.

Section 8.6 A Director's Inspection Rights. Every Director shall have the right at any reasonable time to inspect and copy all books, records, and documents of any kind and inspect the physical properties of the Association and shall have such other rights to inspect the books, records, and properties of this Association as may be required under the Articles of Incorporation, the Bylaws, the Declaration, or by the provisions of the laws of the State of Washington.

Section 8.7 Right To Copy and Make Extracts. Any inspection under the provisions of this Article 8 may be made in person or by an agent or attorney of that person, and the right to make such inspection shall include the right to make copies and to make extracts at the sole expense of the party conducting the inspection.

ARTICLE 9 AMENDMENTS

The procedure and necessary consents required for adoption of amendments to the Bylaws are set forth in Article 24 of the Declaration.

CERTIFICATE

I hereby certify that the foregoing Bylaws were duly adopted by the Directors of the Association by the unanimous written consent of the Directors.



Glenn Dahmer, President

Date: 7/25/06