

**BYLAWS
OF
CABANA CLUB CONDOMINIUM OWNERS' ASSOCIATION**

**Dated and Effective
as of
October 29, 2005**

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**BYLAWS OF
CABANA CLUB CONDOMINIUM OWNERS' ASSOCIATION**

1. Identification of the Condominium and Association.

These Bylaws are with reference to the Cabana Club Condominium Owners' Association, an association of Owners of Units within Cabana Club, a Condominium, 7530 Birch Bay Drive, Blaine, Whatcom County, Washington 98230. Hereinafter the Cabana Club Condominium Owners' Association is referred to as the "Association".

2. Adoption of Bylaws.

The Owners of Units within Cabana Club, a Condominium (the "Condominium") having formed the Association as a nonprofit corporation of the State of Washington, do hereby adopt these Bylaws effective upon approval by the Owners, certification to that effect by the President of the Association, and the recording, if not previously accomplished, of the Restated and Amended Declaration of Condominium of Cabana Club, a Condominium (hereinafter the "Restated Declaration").

3. Definitions.

All terms used in these Bylaws shall have the same meanings ascribed to them in the Washington Condominium Act ("the Act"), the Restated Declaration, and other Governing Documents of the Association.

4. Purpose and Applicability of Bylaws.

These Bylaws are promulgated to provide for the governance of the Association and the Condominium, and to promote the safety, health, well-being and enjoyment of its Owners (hereinafter also referred to as "Members"). The administration and management of the Condominium and the actions of the Members, the Association and its Board of Directors and Officers shall be governed by these Bylaws. All present and future Owners and their tenants, licensees, invitees, servants, agents, employees and any other person or persons who are permitted to use the Condominium property shall be subject to these Bylaws and to the Rules and Regulations of the Association. Acquisition, rental or occupancy of a Unit shall be deemed conclusive evidence of the Owners' tenant's or occupant's acceptance and ratification of, and agreement to comply with, these Bylaws, the Restated Declaration, and any Rules and Regulations now existent or hereafter adopted.

5. Unit Owners Association.

5.1 Form of Association.

The Association has been incorporated as a non-profit miscellaneous and mutual

corporation under the laws of the State of Washington, specifically Ch. 24.06 RCW.

5.2 Law Governing Association.

The rights and duties of the Members and of the Association shall be governed by the provisions of the Act, the Restated Declaration, and the Nonprofit Miscellaneous and Mutual Corporations Act. The Condominium Act shall control over any inconsistency with the Mutual Corporations and Condominium Act, and both Acts shall control over the Restated Declaration or any other Governing Documents of the Association.

5.3 Registered Agent and Registered Office.

The Association shall maintain a Registered Agent to receive legal process and official notices on behalf of the Association, as required by the Nonprofit Miscellaneous and Mutual Corporations Act. The Registered Agent shall have a business office identical with such Registered Office. The Registered Office of the Association shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices with the Secretary of State and elsewhere as may be required by law.

5.4 Powers of Association.

Subject to the provisions of the Restated Declaration, the Association may, through its Board of Directors:

(a) Adopt and amend Rules and Regulations and propose the adoption and amendment of Bylaws for the Association;

(b) Proposed budgets and amended budgets for revenues, expenditures, and reserves, and impose and collect Assessments for Common Expenses from Owners, including Timeshare Owners, in the manner provided in Sections 11.1 and 11.2 of the Restated Declaration;

(c) Hire and discharge or contract with Managers and other employees, agents, professionals and independent contractors;

(d) Institute, defend, or intervene in litigation or administration proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Condominium;

(e) Make contracts and incur liabilities;

(f) Regulate the use, maintenance, repair and replacement of Common Elements, including the determination of the type of activities to be conducted in the Common Elements;

(g) Cause additional improvements to be made as a part of the Common Elements;

(h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, but Common Elements may be conveyed or subjected to a security interest only pursuant to the terms of the Act;

(i) Grant easements, licenses, and concessions through or over the Common Elements and petition for or consent to the vacation of streets and alleys;

(j) Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Elements, other than Limited Common Elements, and for services provided to Owners;

(k) Impose and collect charges for late payment of Assessments and levy reasonable fines in accordance with a previously established schedule thereof adopted by the Board of Directors and furnished to the Owners for violations of the Restated Declaration, Bylaws, and Rules and Regulations of the Association;

(l) Impose and collect reasonable charges for the preparation and recording of amendments to the Governing Documents, resale certificates required by law, or statements of unpaid Assessments;

(m) Provide for the indemnification of its Officers and Board of Directors and maintain Directors' and officers' liability insurance;

(n) Exercise any other powers conferred by the Restated Declaration or Bylaws;

(o) Exercise all other powers that may be exercised in this state by the same type of corporation as the Association;

(p) Exercise any other powers necessary and proper for the governance and operation of the Association; and

(q) Perform such other responsibilities as are required by the Restated Declaration, these Bylaws, or other Governing Documents of the Association.

5.5 Membership.

Each fee Owner or real estate contract vendee of a Unit in the Condominium, including Timeshare Owners, shall be Members of the Association. Ownership of a Unit shall be the sole qualification for membership in the Association, and the membership of the Association at all times shall consist exclusively of all the Owners. The ownership of an interest in a Unit solely as security for the performance of an obligation does not

entitle the owner of such interest to membership in the Association.

5.6 Transfer of Membership.

The Association membership of each Owner shall be appurtenant to the Unit giving rise to such membership, and shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Unit or fractional interest in any Unit and then only to the transferee of title to such Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

5.7 Meetings.

5.7.1 Place of Meetings. Meetings of the Association shall be held at such place as may be designated by the Board of Directors and stated in the notice of the meeting.

5.7.2 Annual Meetings. There shall be an annual meeting of the Association in the third quarter of each year. The annual meeting of the Association shall be held for the election of Directors and the ratification of Basic and Timeshare Budgets, and the conduct of such other business as may be properly brought before the membership at the meeting. At the annual meeting, there shall be presented a report containing the following information:

(a) A balance sheet and a revenue and expense statement of the Association prepared on an accrual basis, which shall be current to sixty days;

(b) The annual financial statement of the Association, including the financial report required by Section 9.5, if it has been prepared, for the year immediately preceding the current year;

(c) A statement of the amount of any reserves for repair or replacement and of any portions of those reserves currently designated by the Association for any specified projects;

(d) A statement of any anticipated repair or replacement cost in excess of five percent of the Annual Budget of the Association that has been approved by the Board of Directors; and

(e) A statement of any unsatisfied judgments against the Association and the status of any pending suits to which the Association is a party.

5.7.3 Notices of Annual Meetings. Not less than thirty (30) nor more than sixty (60) days in advance of an annual meeting, the Secretary shall cause notice to be

hand-delivered or sent prepaid by first class United States mail to the mailing address of each Member or to any other mailing address designated in writing by the Member. The notice of any meeting shall state the place, day and hour of the meeting and the items on the agenda to be voted on by the Members, including a list of the candidates seeking to be elected as Directors of the Association.

5.7.4 Special Meetings. Special meetings of the Association may be called at any time for the purpose of considering matters which by the terms of the Condominium Act or the Restated Declaration require the approval of all or some of the Owners, or for any other reasonable purpose. Such meetings shall be called by written notice of the President of the Association upon the decision of the President, or after request signed by a majority of the Board, or by written request by Owners having at least 20% of the total votes in the Association.

5.7.5 Notices of Special Meetings. Not less than ten (10) nor more than sixty (60) days in advance of any special meeting, the Secretary shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Member or to any other mailing address designated in writing by the Member. The notice of any special meeting shall state the place, day and hour 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 Restated Declaration or Bylaws, and any general proposal to remove a Director or Officer.

5.7.6 Notices of Special Meetings Involving Changes to Budget. In the event that a special meeting is called to approve a Basic or Timeshare Budget, or to approve changes to a previously approved Budget that result in a change of Assessment obligations, the notice shall be given not less than fourteen (14) days in advance of the meeting.

5.7.7 Waiver of Notice. Whenever any notice to a Member is required to be given by the Association, a Waiver thereof in writing signed by the Member, whether made before or given after the time stated therein, shall be equivalent to the giving of such notice.

5.8 Voting.

5.8.1 Voting Rights. Each Member has a right to vote at meetings of the Association for the election of Directors and with respect to such other matters that are not within the powers of the Board of Directors as may lawfully come before the meeting. The total number of votes available to the Owner of any one Unit shall be equal to the Allocated Interest for voting appertaining to such Unit. In the event that a Unit is owned by the Association, the Board of Directors shall vote the Allocated Interest associated with that Unit.

5.8.2 Joint Owner Disputes. The vote for a non-Timeshare Unit must be cast as a single vote, and fractional votes shall not be allowed. If a Unit is owned by a

corporation, partnership, marital community, limited liability company, trust or other legal entity involving or comprising multiple persons, any director, officer, partner in, or trustee of any such entity, may be deemed the Owner thereof to cast the vote for such Unit. Where a Unit is owned by more than one person, if only one of such persons is present at a meeting of the Association, in person, by proxy or written ballot, such person is entitled to cast all the votes allocated to that Unit. If more than one of the multiple persons comprising an Owner are so present, such Owner's vote may be cast only in accordance with the agreement of a majority in interest of such multiple persons. There is majority agreement if any one of the multiple persons casts a vote for such Owner without protest being made promptly to the person presiding over the meeting by any of the other persons comprising the Owner. In the absence of majority agreement, the conflicting votes shall be deemed an abstention of the vote for such Unit.

5.8.3 Timeshare Voting. Each Timeshare fractional ownership interest shall be entitled to vote that owner's fractional interest of the Unit's Allocated Interest. Otherwise, the provisions of subsections 5.8.1 and 5.8.2 shall apply.

5.8.4 Proxies and Voting by Written Ballot. Votes allocated to a Unit may be cast by a written ballot or pursuant to a proxy duly executed by the Owner. An 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 eleven months after its date of issuance. A written ballot shall not be valid unless it is signed by the Owner and received by the Association on or before the date and commencement time of the meeting at which it is to be counted. Alternatively, it may consist of any form prepared by the Board for obtaining votes on the matters constituting the business of the meeting. In the event that the Board desires to prepare a written ballot for use at a meeting, copies thereof shall be served with the Notices of such meeting.

5.8.5 Additional Procedures for Voting. The Board may by resolution adopt additional procedures, not inconsistent herewith, to assist the Board in maintaining the integrity of the voting process at meetings of the Association.

5.8.6 Quorums. A quorum is present throughout any meeting of the Association if the Owners of Units to which at least twenty (20) percent of the votes in the Association as allocated are present in person, by proxy or written ballot at the beginning of the meeting.

5.8.7 Order of Business. The order of business at a meeting of the Association shall be as follows: (i) proof of notice of meeting; (ii) determination of the presence of a quorum; (iii) approval of minutes of the previous meeting of the Association ; (iv) appointment of inspectors of election if applicable; (v) election of Directors, if applicable; (vi) approval of Basic and Timeshare Budgets; (vii) reports of the Board of Directors, Officers and committees; (viii) unfinished business; and (ix) new business – new business should include discussion of annual audit requirements under

Section 9.5 hereof. Items listed in this section not pertinent to the agenda of a particular meeting shall be omitted from the order of business. Only matters described in the notice of a special meeting may be considered at such meeting, and the order of business at a special meeting shall generally conform to the order specified in the notice of such meeting.

5.8.8 Conduct of Meeting. The President shall preside at meetings of the Association and the Secretary shall keep the minutes of meetings, for inclusion in the Association's permanent Minute Book. Roberts Rules of Order may be used by the President or other Officer presiding at the meeting, but any inconsistent proceedings or actions taken with Roberts Rules of Order shall not be void or voidable so long as each person who wishes to be heard has a proper opportunity to do so, and procedures and voting are conducted in a fair and reasonable manner. The President shall be the sole arbiter of the proper conduct of a meeting, and any action taken at the meeting.

6. Board of Directors.

6.1 Management by Owners' Board, Qualifications.

6.1.1 Number of Directors. There shall be nine members of the Board of Directors. The number of Directors on the Board may thereafter be increased or decreased as provided in these Bylaws. Members of the Board of Directors shall take office upon election, and promptly following their election shall elect or appoint the Officers of the Association described in Article 7 hereof.

6.1.2 Qualifications. The Directors shall be Unit Owners. A Timeshare Owner may also be a Director. The term "Owner" in such context shall, pursuant to RCW 64.34.324(3) be deemed to include any director, officer partner in, or trustee of any entity which is, either alone or in conjunction with another person or persons, an Owner. Any Officer or Director of the Association who would not be eligible to serve as such if he or she were not a director, officer, partner in, or trustee of such an entity shall be disqualified from continuing in office if he or she ceases to have any such affiliation with that entity.

6.1.3 Term. A Director shall serve for a term of three years. So long as there are nine Directors, three directors shall be elected each year, to provide for continuity of management.

6.2 Meetings.

6.2.1 Annual Meeting. An annual organizational meeting of the Board of Directors shall be held within ten days after each annual meeting of the Association. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the entire Board is present at the meeting.

6.2.2 Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as shall be determined from time to time by the Board of Directors, but at least one meeting shall be held in each quarter of each fiscal year. Any lawful business may be transacted at a regular meeting at which a quorum is present.

6.2.3 Special Meetings. Special meetings of the Board of Directors may be called by the President and shall be called by the President or Secretary on the written request of at least two Directors.

6.2.4 Notice and Waiver of Notice. Notice of regular or special meetings of the Board of Directors shall be given to each Director, either personally, by telephone, facsimile transmission, or email at least 72 hours prior to the time of the meeting, and shall state the date and place and hour of the meeting. Notice of regular meetings may also be given by providing each Board member with a written schedule of regular meetings adopted for the ensuing year at any time after the annual meeting and at least seven days prior to the next succeeding regular meeting. Notice of a special meeting should state the purpose of the meeting. Notice of a meeting of the Board of Directors may be waived in writing by a Director either before or after the meeting. Attendance at a meeting constitutes waiver of notice of that meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of business because the meeting is not lawfully called or convened. In a *bona fide* emergency, and if all of the Board members are present and so consent, no notice shall be required and matters relating to the subject of the emergency may be considered at the meeting.

6.2.5 Quorum, Participation and Voting. A quorum is deemed present throughout any meeting of the Board of Directors if at least a majority of the members of the Board of Directors are present at the beginning of the meeting. Any one or more Directors may participate in a meeting by means of a conference telephone or similar communication equipment, allowing all persons participating in the meeting to hear each other at the same time. Each Director shall have one vote. The votes of a majority of the members present at a meeting at which a quorum is present shall constitute the decision or act of the Board of Directors. If less than a quorum is present at a meeting, the majority of those present may recess the meeting to a designated time and place. A recessed meeting may be held as designated upon such further notice as may be necessary to assure attendance and to satisfy the "open meetings" requirements of Section 6.2.7; when a quorum is present any business may be transacted which might have been transacted at the meeting as originally called.

6.2.6 Conduct of Meeting. The President shall preside at meetings of the Board of Directors and the Secretary shall keep the minutes of the proceedings. Following proof of notice, or waiver thereof, and determination of the presence of a quorum, any lawful business may be transacted.

6.2.7 Open Meetings. Except as otherwise provided herein, all meetings of the Board of Directors shall be open for observation by all Members and their

authorized agents. Upon the affirmative vote in open meeting to assemble in closed session, the Board may convene in closed executive session to consider personnel matters, to consult with legal counsel or consider communications with legal counsel, or to discuss likely or pending litigation, matters involving possible violations of the Governing Documents, or matters involving the possible liability of an Owner to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board shall restrict its consideration of matters during the closed portions of the meeting to only those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board, following the closed session, reconvenes in open meeting, reasonably identifies the motion or other action considered in executive session, and votes again in the open meeting on such motion or other action. The requirements of this Section shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure. Except as provided, this subsection shall not be construed so as to be required to comply with Ch. 42.30 RCW relating to public bodies or agencies.

6.2.8 Action by Directors Without a Meeting. In a *bona fide* emergency, or to accomplish purely ministerial objectives (such as the signing of banking resolutions), any action required or permitted to be taken may be taken without a meeting if all of the members of the Board of Directors unanimously consent to such action and such consent is evidenced in writing either prior to or subsequent to the taking of such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

6.2.9 Arbitration in Event of Deadlock. In the event that the Board of Directors becomes deadlocked for any reason, or shall be unable or unwilling to act with respect to any matter within its powers and authority, in addition to any other remedies which may be available under applicable law, such matter may be resolved by private arbitration conducted under the procedures hereinafter described. Any Director or Unit Owner may initiate such arbitration proceedings in the name of the Association, which arbitration shall be conducted substantially in accordance with the procedures established for Mandatory Arbitration under Civil Rules for Superior Court and the Local Rules of the Whatcom County Superior Court, irrespective of whether the dispute is one which is subject to Mandatory Arbitration under law. All costs, fees and expenses of the Arbitration shall constitute a Common Expense and shall be payable as the Arbitrator may determine; provided, however, that the decision of the Arbitrator may include an award to a prevailing party of those sums previously paid and/or incurred by such prevailing party for such costs. The decision of the arbitrator shall be binding upon the parties and the Association, and may be enforced in any manner provided by law, as well as through any other means provided in the Declaration or these Bylaws. This Section 6.2.9 is expressly intended to benefit Mortgagees.

6.3 Vacancies.

A vacancy on the Board of Directors caused by any reason, other than removal of a Director by a vote of the Members of the Association, shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall serve until the next annual meeting of the Association and until his or her successor is elected. The Director then elected shall complete the term of the Director replaced. A vacancy occurring on the Board of Directors by reason of an increase in the number of Directors constituting the entire Board of Directors or by reason of the removal of a Director by a vote of the Association shall be filled by the Association at an annual meeting or at a special meeting called for that purpose.

6.4 Removal of Directors.

The Owners, by a two-thirds vote of the voting power in the Association present and entitled to vote at any meeting of the Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause.

6.5 Compensation.

A Director shall not receive compensation from the Association for serving on the Board of Directors, but shall be reimbursed for reasonable out-of-pocket expenses incurred by him or her in the proper performance of his or her duties.

6.6 Annual Report of the Board of Directors.

The Board of Directors shall present at each annual meeting of the Association a complete statement of the operative and financial condition of the Condominium, containing at minimum the information required in Section 5.7.2 of these Bylaws. Such information may also be required to be presented at a Special Meeting of the Association, pursuant to Section 5.7.4.

6.7 Fidelity Insurance.

The Board of Directors shall obtain for any Director, Officer, volunteer, agent (excluding a Manager, which shall acquire its own fidelity coverage), or employee of the Association handling or responsible for Association funds, adequate fidelity insurance. The fidelity bond or insurance shall designate the Association as a named insured and shall be written in an amount sufficient to provide the protection required by Section 12.2.5 of the Restated Declaration.

6.8 Duty of Care.

A Director shall perform the duties of a Director, including duties as a member of any Committee of the Board upon which the Director may serve, in good faith, in a

manner such Director believes to be in the best interests of the Association, and with such 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, prepared or presented by (a) one or more officers or employees of the Association whom the Director reasonably believes to be reliable and competent in the matter presented; or (b) legal counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such person's professional or expert competence; so long as the Director acts in good faith, and without knowledge that would cause such reliance to be unwarranted.

6.9 Duty of Loyalty – Conflict of Interest.

The Directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and consistent with the purposes set forth in these Bylaws. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm, entity or association in which one or more of the Directors are Directors or Officers or are pecuniarily or otherwise interested, shall be either void or voidable because such Director or Directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, if the fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof and noted in the minutes, and the Board of Directors authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose. Common or interested Directors may be counted in determining the presence of a quorum at any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction. Such Directors should consider abstaining from voting, but may be permitted to vote thereat and authorize any contract or transaction with like force and effect as if they were not common or interested Directors or Officers of such other corporation or were not so interested, provided that (a) such participation is authorized by a vote of the remaining Directors, (b) the disclosures required in this Section have been duly made, and (c) the contract or transaction is approved by at least a majority of the disinterested Directors present at the meeting. If disclosures are not made as required by this subsection, the contract or transaction may be voidable at the instance of the Association, and the interested Director may not be insulated from liability for any harm suffered by the Association as a result of the contract or transaction.

6.10 Right to Indemnification.

The Association shall indemnify and hold harmless each of the Directors and Officers from and against all contractual liability to others arising out of contracts made by the Board of Directors or Officers on behalf of the Association or the Members unless such contract was made in bad faith or contrary to the provisions of the Governing Documents. The Directors and Officers shall not be personally liable for contracts made

by them on behalf of the Association. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a Director or Officer of the Association against amounts paid in settlement incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Condominium or the Association, to the fullest extent authorized by RCW 23B.08.320, and 23B.08.500 through 23B.08.600, and any amendments thereto, irrespective of the fact that the Association is not incorporated under Title 23B. RCW.

6.11 Board of Directors as Attorney-in-Fact.

The Board of Directors is hereby irrevocably appointed as attorney-in-fact for the Owners of all of the Units and for each of them, to manage, control and deal with the interests of such Owners as to all matters affecting the Condominium other than those as to which Owners' direct participation is required under the Act, or the Restated Declaration, so as to permit the Board of Directors to fulfill all of its powers, functions and duties under the provisions of the Act, the Restated Declaration and these Bylaws, and to deal with the Property upon its destruction or condemnation and with the proceeds payable under any insurance policy benefiting the Association or its Members. This power shall include, but shall not be limited to, the power to grant easements and licenses from time to time affecting the Common Elements, related to the provision of public utilities or services or as may be considered necessary or appropriate by the Board of Directors for the preservation of the health, safety, convenience, or welfare of the Owners, or any of them. The foregoing shall be deemed to be a power coupled with an interest, and the acceptance by any person or entity of any interest in any Unit shall constitute an appointment of the Board of Directors as such attorney-in-fact. This power shall be in addition to any authority to grant easements or licenses given to the Board of Directors by the Act, the Restated Declaration or these Bylaws.

6.12 Change in Size of Board.

The number of Directors may at any time be increased or decreased by amendment of these Bylaws. If the Owners at any time elect a greater or lesser number of Directors than the number previously constituting the whole Board, then election of the new number shall automatically amend these Bylaws to increase or decrease the size of the Board to the number actually elected, but no decrease shall have the effect of shortening the term of any incumbent Director, nor shall the number of Directors ever be less than three (3) persons.

6.13 Advisory Committees.

The Board of Directors may by resolution establish and appoint the members of one or more committees intended to obtain information for and provide advice to the Board, but not to exercise any of the powers of the Board, with respect to such matters as from time to time may be deemed useful by the Board. The members of any such

committee may be Board members, or Unit Owners, or other persons whose participation is deemed beneficial by the Board, in its discretion.

7. Officers.

7.1 Principal Officers.

The principal Officers of the Association are a President, a Vice President, a Secretary and a Treasurer. All the principal Officers of the Association shall be members of the Board of Directors. Two or more offices may be held by the same person, except the offices of President and Secretary. The Board of Directors may, in its discretion, also elect or appoint such other Officers and assistant Officers as may be deemed appropriate. Officers are charged, in general, with responsibility for implementing policy decisions formulated or adopted by the Board of Directors.

7.2 Election of Officers.

The officers of the Association shall be elected annually by the Board of Directors at its annual organizational meeting.

7.3 Removal of Officers; Vacancies.

An Officer may be removed by the Board of Directors with or without cause by the affirmative vote of a majority of the entire Board of Directors. A successor may be elected at any regular meeting of the Board of Directors or at any special meeting called for that purpose.

7.4 President.

The President is the chief executive officer of the Association; he or she shall preside at meetings of the Association and shall serve as Chair of the Board of Directors; he or she shall oversee the business of the Association such that the orders and resolutions of the Board of Directors may be carried into effect. The President shall be the Officer authorized and empowered to prepare, execute, certify, and record amendments to the Restated Declaration and Survey Map and Plans on behalf of the Association. The President, together with the Secretary, upon direction from the Board of Directors, is authorized to execute any documents, including agreements and contracts to which the Association is authorized to be a party, through the Board of Directors, as provided in Section 5.4. Provided, the Board of Directors may, at its discretion, authorize the execution of such documents by another person or persons, and any such documents shall be binding upon the Association.

7.5 Vice President.

The Vice President shall perform the duties and exercise the powers of the President in the absence or disability of the President and shall perform such other

duties as the Board of Directors may prescribe.

7.6 Secretary.

The Secretary shall attend all meetings of the Board of Directors and the Association, and shall record the voting and the minutes of all proceedings in a book to be kept for that purpose. He or she shall give notice of meetings of the Association and the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the President. The Secretary, with the assistance of the Treasurer, shall compile and keep current at the principal office of the Association all records required by Section 9.4. The Secretary shall keep current and retain custody of the Minute Books of the proceedings of the Association and the Board of Directors, and shall maintain a separate Book of Resolutions containing copies of resolutions of the Board intended to have ongoing or permanent effect. An Assistant Secretary may perform the duties and exercise the powers of the Secretary in the absence or disability of the Secretary and shall perform such other duties as the Board of Directors may prescribe. The Secretary, together with the President, upon direction from the Board of Directors, is authorized to execute any documents, including agreements and contracts to which the Association is authorized to be a party, through the Board of Directors, as provided in Section 5.4.

7.7 Treasurer.

The Treasurer shall exercise control over all funds and securities of the Association except those which are placed under the control of a Manager. The Treasurer shall deposit all funds of the Association in such federally insured financial institution(s) as may be designated by the Board of Directors. He or she shall disburse funds in accordance with the Association's Budgets and as ordered by the Board of Directors. With the assistance of any accountant or Manager employed by the Association, the Treasurer shall keep the books of the Association on an accrual basis, with detailed accounts of the receipts and expenditures affecting the Association, in at least the detail required by Section 9.4 hereof. The books and supporting vouchers and records shall be available for examination by the Owners, Mortgagees and their duly authorized agents or accountants or attorneys, during regular business hours after proper notice in the manner established by the Board of Directors. All books and records shall be kept in accordance with generally accepted accounting principles and shall be sufficiently detailed to enable the Association to comply with Section 10 of these Bylaws.

7.8 Compensation of Officers.

No Officer shall receive any compensation from the Association for acting as such unless such compensation is approved by a vote of Owners entitled to cast at least 75% of the votes in the Association. An Officer shall be reimbursed for reasonable out-of-pocket expenses incurred in the performance of duties on behalf of the Association.

7.9 Liability of Officers and Indemnification.

The provisions of Sections 6.8, 6.9 and 6.10 of these Bylaws shall apply in equal measure to Officers of the Association.

8. Enforcement of Covenants.

8.1 Authority of the Board.

The Board of Directors shall have primary responsibility for maintaining and enforcing compliance with the covenants, conditions and restrictions contained in the Restated Declaration. Without limiting the authority and powers conferred upon the Board by the Act, the Board shall have the power and authority specified in these Bylaws.

8.2 Abatement of Violations.

Any violation of the Rules and Regulations adopted by the Board of Directors, the breach of any provision of the Governing Documents or the Condominium Act shall give the Association the right to enter a Unit or any Limited Common Element in which, or as to which, a violation or breach exists or may exist, in the case of a *bona fide* emergency caused by such violation. Otherwise, such entry must be conducted in accordance with the provisions of Section 9.2 of the Restated Declaration. Provided, this remedy shall not be utilized when a breach of the peace may ensue.

8.3 Legal Proceedings.

Failure to comply with any of the terms of the Governing Documents, the Rules and Regulations, or published resolutions of the Board shall be grounds for legal relief, including without limitation, actions to recover any sums due for money damages, fines, charges, injunctive relief, foreclosure of the lien for payment of Assessments, any other relief provided for in these Bylaws or any combination thereof and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, or, if appropriate, by any aggrieved Owner, and shall not constitute an election of remedies.

8.4 Costs and Attorney's Fees.

The Association shall be entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent Assessments, whether or not such collection activities result in suit being commenced or prosecuted to judgment. In addition, the Association shall be entitled to recover costs and reasonable attorneys' fees if it prevails on appeal, and/or in the enforcement of a judgment. In any other proceeding arising out of an alleged default by an Owner for failure to comply with any

provision of the Governing Documents, the prevailing party shall be entitled to recover the costs of the proceeding, and such reasonable attorney's fees as may be determined by the court. In the event that the prevailing party is the Association, the costs and attorney's fees so awarded shall constitute a Special Assessment against the Owner's Unit.

8.5 Late Charges and Interest.

The Board may impose and collect reasonable late charges to defray administrative and other expenses of collecting Assessments. Until changed by resolution of the Board with advice of counsel, the Board may collect a late charge: (a) when any Assessment or installment thereof is received by the Association more than ten (10) days beyond the due date of such Assessment or installment; (b) in an amount not to exceed fifty dollars (\$50.00) for each delinquent installment. A delinquent Assessment shall bear interest from the date on which it was due at the rate of 12% per annum, or such lesser sum as may be established resolution of the Board, or the maximum lower rate permitted by the law on the date on which the Assessment was due.

8.6 Fines.

The Board may impose and collect reasonable fines against Owners or tenants for violations of the Act, the Governing Documents, or the Rules and Regulations of the Association. Provided, however, that no fine may be levied unless (1) the Board has by resolution established a schedule of fines which has been furnished to all Owners prior to the alleged violation, and (2) the allegedly offending Owner (personally or as landlord to a tenant) has been provided with notice of and an opportunity to be heard at a hearing to be conducted pursuant to Section 8.10 of these Bylaws. Until changed by resolution of the Board with advice of counsel, the amount of any fine so assessed shall not exceed one hundred dollars (\$100.00) for a single offense and ten dollars (\$10.00) per diem after ten (10) days for any offense of a continuing nature, to a maximum of two hundred fifty dollars (\$250.00), and shall be treated as a Special Assessment against such Owner's Unit. The imposition of fines is not in lieu of actual damages suffered by the Association or any of its Owners for which an Owner may be liable.

8.7 Liability for Conduct Causing Common Expense.

Each Owner shall be liable for the cost of all maintenance, repair or replacement rendered necessary by his or her act, neglect or carelessness, or the act, neglect or carelessness of any member of his or her family or his or her employees, agents, tenants or licensees, but only to the extent that such cost is not covered by the proceeds of insurance carried by the Association. Such liability shall include the amount of the deductible payable under the Association's insurance, along with any increase in insurance rates occasioned by use, misuse, occupancy or abandonment of any Unit or its appurtenances. To the extent that any Common Expense is caused by the misconduct of any Owner (or Owner's tenant), the Association may specially assess

that expense against the Owner's Unit, provided, no such Special Assessment may be levied unless the allegedly offending Owner has been provided with notice of and an opportunity to be heard at a hearing to be conducted pursuant to Section 8.10 of these Bylaws.

8.8 No Waiver of Rights.

The failure of the Association, the Board of Directors or of an Owner to enforce any right, provision, covenant or condition which may be granted by the Governing Documents or the Condominium Act shall not constitute a waiver of the right of the Association, the Board or the Owner to enforce such right, provision, covenant or condition in the future.

8.9 Remedies Cumulative.

A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment. All rights, remedies and privileges granted to the Association, the Board of Directors or any Owner pursuant to any term, provision, covenant or condition of the Governing Documents or the Condominium Act shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the party exercising the same from exercising such other privileges as may be granted to such party by the Governing Documents or the Condominium Act or at law or equity.

8.10 Pre-Sanction Hearings.

In any cases under Section 8.6 or 8.7 of these Bylaws, where a fine or Special Assessment for misconduct is proposed, or where the Board proposes to suspend an Owner's Membership in Good Standing status, or in any other case where the Board, in its discretion, deems necessary or advisable, an allegedly offending Owner shall be afforded the opportunity for a hearing by the Board to determine the appropriateness of the action proposed to be taken, in accordance with the following procedures:

8.10.1 Notice of Violation.

A written Notice of Violation shall be prepared and hand-delivered or mailed by registered or certified mail, return receipt requested, to such Owner at his or her last known mailing address. The Notice of Violation shall include:

(a) A statement, in reasonable detail, of the factual nature of any alleged violations, along with the Section number of any portion of the Governing Documents allegedly violated, including Rules and Regulations;

(b) The nature of the action proposed to be taken against such owner, including the dollar amount of any fine which could be imposed under the Schedule of Fines;

(c) A date by which the Owner must mail or deliver a written Request for Hearing to the Association to contest the imposition of the proposed sanction (which date must be not less than 14 days following the delivery of the Notice of Violation) along with the address to which such Request for Hearing must be sent; and

(d) A date, which is not less than 30 days following the delivery of the Notice of Violation, upon which the sanction would be imposed in the event that no hearing is requested by the Owner.

8.10.2 Form and Contents of Request for Hearing.

The Request for Hearing shall be made in writing, shall be signed by or on behalf of the Owner, and shall contain a brief statement of any reasons known to the Owner that the proposed sanction should not be imposed.

8.10.3 Establishment of a Hearing Date.

In the event that a hearing is requested by an Owner, no sanction may be imposed until the requested hearing is held. Upon receipt from an Owner of a Request for Hearing, a Notice of Hearing shall be prepared and hand-delivered, or mailed to such Owner by registered or certified mail, return receipt requested. The Notice of Hearing shall include the location, date and time of the hearing.

8.10.4 Hearing Procedures.

The hearing shall be held before a majority of the Board of Directors. At the hearing, the President, or the President's designee, shall preside. The hearing shall be conducted generally in accordance with the requirements for Meetings of the Board as provided in Section 6.2 of these Bylaws. Any Director who feels that it would be impossible to be fair, objective and unbiased in the proceedings shall disqualify himself or herself prior to the commencement of the hearing. Both the Owner who is the subject of the hearing and the Association may be represented by counsel. Minutes shall be taken and, if requested by either the Association or the Owner, the hearing may be recorded either stenographically, or by audio or video tape or equivalent means. After receiving proof of the giving of the two Notices required by Section 8.10.1 and 8.10.3 of these Bylaws, factual evidence in support of the allegation that a violation has occurred will be received. Live testimony from witnesses with personal knowledge shall be received where practicable. Affidavits or declarations in the form required by RCW 9A.72.085 may, however, be received in lieu of live testimony as the interests of justice may require, and formal adherence to legal rules of evidence shall not be required. Thereafter, evidence from the Owner, in defense or toward mitigation, shall be received.

Any rebutting evidence may then be received. Legible copies of all documentary evidence received shall be attached to the minutes of the hearing. At the close of the evidence, both sides shall have the opportunity for legal argument.

8.10.5 Default.

In the event that the Owner fails to appear at the hearing, (s)he may be deemed to be in default, and upon receipt of proof of delivery of both of the Notices required under Sections 8.10.1 and 8.10.3 of these Bylaws, and upon receipt of any satisfactory evidence that establishes the existence of the violation, the Board may render its decision forthwith.

8.10.6 Continuances.

In its discretion, if the interests of justice appear to require, the Board may continue the hearing at the request of either the Owner or any other affected party, for such reasonable period not to exceed thirty (30) days, as may be deemed necessary.

8.10.7 Decision.

The Board may issue its decision at the close of the hearing, or may adjourn and render its decision at a later date, not to exceed thirty (30) days following the date of the hearing or any continuation thereof. The decision shall be in writing, but need not contain detailed findings, and shall be delivered or mailed to the Owner and his or her attorney on the date of issuance. The original copy of the decision shall be dated and signed by the presiding Officer, and filed among the minutes of the Board of Directors.

8.10.8 Assurance of Voluntary Compliance in Lieu of Hearing.

The Board may, with or without holding a hearing and at any time prior to rendering its Decision, accept from the Owner an Assurance of Voluntary Compliance in lieu of further proceedings, subject to such terms and conditions as may appear reasonable.

8.11 Alternative Forms of Dispute Resolution Authorized.

In addition to the rights, remedies and procedures described above, the Association may, with the consent of an affected Owner and/or any other interested party, agree to resolve any dispute through mediation, binding or nonbinding arbitration, or such other alternative dispute resolution mechanism as may be deemed appropriate, at the discretion of the Board.

8.12 Tenants Subject to Rights and Responsibilities of Owners.

Any tenant of an Owner shall be deemed to be bound by all portions of the

Governing Documents that are binding upon the Owner, with the exception of the obligation to pay the dues, assessments and other charges owing by the Owner to the Association. All rights, remedies and procedures available to the Association when dealing with Owners under the Governing Documents shall be available to the Association when dealing with any tenant of an Owner. In addition, the Association shall have the right to terminate the lease of a tenant who has been found to have violated law or the Governing Documents and the violation warrants eviction, in the discretion of the Board; the Association shall be deemed a "real party in interest" in any legal proceeding brought to enforce this right. A legal proceeding against an Owner or tenant for eviction or other legal or equitable remedy may be brought without regard to, or the requirement of, a hearing as described in Section 8.10.

9. Management of Condominium.

9.1 Management by Board of Directors.

The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by the Condominium Act or the Governing Documents required to be exercised and done by the Association through a vote of the Owners. The Board of Directors is charged with the responsibility for formulating and adopting all policy decisions affecting the Condominium.

9.2 Professional Management.

9.2.1 Manager. The Board of Directors may employ or otherwise engage the services of a "Manager" at a compensation to be established by the Board.

(a) Requirements. A Manager shall be a *bona fide* business enterprise which manages common interest residential communities. The Manager must be able to advise the Board of Directors regarding the corporate and administrative operations of the Association and shall employ or retain personnel knowledgeable in the areas of condominium insurance and accounting, contract negotiations, and maintenance of corporate records.

(b) Duties. The Manager shall perform such duties and services as the Board of Directors shall direct. The Manager shall perform all such duties and services relating to the management of the Condominium, maintaining the Association's records and finances, observing the rights of Mortgagees, administering reserve funds and any and all other management obligations, in compliance with the provisions of the Restated Declaration and these Bylaws.

9.2.2 Management Standards. The Board of Directors shall impose appropriate standards of performance upon the Manager. Unless the Manager is instructed otherwise by the Board of Directors:

(a) the accrual method of accounting shall be employed, and expenses required by the Restated Declaration or these Bylaws to be charged to one or more, but fewer than all Owners, shall be accounted for separately;

(b) two or more persons shall be responsible for handling cash to maintain adequate financial control procedures;

(c) cash accounts of the Association shall be maintained in insured accounts and shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the Manager from vendors, independent contractors or others providing goods or services to the Association whether in the form of commissions, finders fees, service fees or otherwise; any discounts received shall benefit the Association;

(e) any financial or other interest which the Manager may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors; and

(f) a quarterly financial report shall be prepared for the Association containing the information required under Section 9.4.1 of these Bylaws.

(g) the Manager shall maintain separate records and bank accounts for each condominium association or other common interest community owners' association that uses its services, and shall not have the authority to draw checks upon or to transfer funds from this Association's reserve accounts.

(h) the Manager shall assist the Board in preparation of its Annual Basic Budget and Timeshare Budget for operating expenses and reserves, and shall periodically advise the Board on the adequacy of the Association's reserves for repair, renovation and replacement of the Common Elements and other capital expenditures.

9.2.3 Scope of Delegation.

The Board of Directors may delegate to the Manager all of the powers granted to the Board of Directors of the Association by the Restated Declaration other than the powers to amend the Governing Documents or Rules and Regulations, to make Assessments against Unit Owners or determine the manner for doing so, to open bank accounts for the Association or to designate the signatories thereon, to borrow money on behalf of the Association, or to acquire any real property or any personal property with a value in excess of Five Hundred Dollars in the absence of a special resolution of the Board.

9.2.4 Management Agreement.

In the event the Board enters into a management agreement with a Manager, said agreement shall be in writing and shall contain provisions authorizing termination of the agreement without penalty by the Association for cause without notice or without cause upon ninety (90) days' written notice and shall not exceed a term of one (1) year, renewable by agreement of the parties for successive one-year periods.

9.2.5 Termination.

A decision to terminate a Manager, once established, and assume self-management by the Association may first require the prior written approval of that percentage of Eligible Mortgagees specified in Article XVI of the Restated Declaration.

9.3 Bank Accounts for Operations and Reserves.

9.3.1 Insured Accounts. The Board of Directors shall promptly deposit all sums collected for operating expenses or reserves in insured accounts with chartered financial institutions.

9.3.2 Commingling Prohibited. Amounts collected by the Board of Directors as Assessments against the Units for operating expenses or reserves shall not be commingled with funds of any other common interest community owners' association, nor with the funds of the Manager or any other person responsible for the custody of such funds.

9.3.3 Reserve Accounts. Any reserve funds shall be kept in one or more segregated, interest bearing accounts, and any transaction affecting such funds, including the issuance of checks, shall require the signatures of at least two persons who are Officers or Directors of the Association.

9.4 Association Records.

9.4.1 Financial Records. The Treasurer, with the assistance of the Association's Manager and accountant, shall keep financial records in accordance with generally accepted accounting principles, sufficiently detailed to enable the Association to fully satisfy its obligations to provide standard resale certificates to prospective purchasers of Units in the Condominium as required by the Condominium Act. At minimum, such records shall include:

(a) an "income statement" reflecting all income and expense activity for the preceding quarter on an accrual basis;

(b) an "account activity statement" reflecting all receipt and disbursement activity for the preceding quarter on a cash basis;

(c) an "account status report" reflecting the status of all accounts in a "budget" versus "actual" format;

(d) a "balance sheet" reflecting the financial condition of the Association on an unaudited basis;

(e) a "budget report" reflecting any actual or pending obligations which are in excess of budgeted amounts by an amount exceeding the operating reserve or ten percent of a major budget category;

(f) a "delinquency report" listing all Owners who are delinquent in paying Common Expense assessments and describing the status of any actions to collect such assessments;

(g) all cancelled checks, bank statements, federal income tax returns, state tax returns, receipts and vouchers for expenses and other source documents for income and expenses, for up to seven years; and

The accrual method of accounting shall be employed. Any expenses required by the Restated Declaration to be charged to more than one but fewer than all Owners shall be accounted for separately.

9.4.2 Other Records.

The Secretary, with the assistance of the Association's Manager, shall compile and maintain the following records, documents and things:

(a) The original or a photocopy of the recorded Restated Declaration and each amendment to the Restated Declaration;

(b) The Certificate of Incorporation and a copy or duplicate original of the Articles of Incorporation of the Association as filed with the Secretary of State;

(c) The Bylaws of the Association, and all amendments thereto;

(d) the minute books, including all minutes, and the separate Book of Resolutions;

(e) Any Rules and Regulations that have been adopted;

(f) An inventory of tangible personal property of the Association;

(g) A copy of the Declarant's plans and specifications utilized in the construction of the Condominium;

(h) Insurance policies or copies thereof for the Condominium and Association;

(i) Copies of any certificates of occupancy that may have been issued for the Condominium;

(j) Any other permits issued by governmental bodies applicable to the Condominium;

(k) All written warranties that are still in effect for the Common Elements, or any other areas or facilities which the Association has the responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners' manuals or instructions furnished with respect to installed equipment or building systems;

(l) A roster of Owners and Eligible Mortgagees and their addresses and telephone numbers, if known;

(m) Any leases of the Common Elements or areas and other leases to which the Association is a party;

(n) Any employment contracts or service contracts in which the Association is one of the contracting parties or service contracts in which the Association or the Owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge of the person performing the service; and

(o) All other contracts to which the Association is a party.

9.4.3 Ownership of Records, Inspection.

All financial records and other books, records and documents of the Association are and shall remain the property of the Association, but except as otherwise provided herein shall be made reasonably available for examination and copying during normal business hours upon reasonable notice by any Owner, or by holders, insurers and guarantors of first mortgages of units in the project, or the authorized agents of any of them. The unlisted number of any Owner shall not be released without the consent of such owner. Materials constituting confidential communications between attorneys employed by the Association and its Officers and Directors need not be disclosed until the matter constituting the subject of the attorney's engagement has terminated.

9.5 Annual Audit of Records.

At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. Under RCW 64.34.372(1), the annual financial statement of a

condominium association must be audited annually by a certified public accountant. However, this audit may be waived annually by the vote of Unit Owners holding at least sixty percent of the voting interest in the Association. In the event the Unit Owners vote to waive the annual audit, the Association may employ an accountant or a committee of the Members to conduct a review of the Association's financial records.

10. **Resale of Units.**

10.1 **Resale Certificate.**

10.1.1 **Information Required.** The Association, within ten days after receipt of a written request by an Owner to facilitate resale of his or her Unit, shall furnish a resale certificate, for signature by both the Association and the Owner, containing all information required under RCW 64.34.425.

10.1.2 **Liability for Errors.** An Owner providing a certificate pursuant to Subsection 10.1.1 is not liable to the purchaser for any erroneous information provided by the Association and included in the certificate unless and to the extent the Owner had actual knowledge thereof.

10.1.3 **Limitation of Purchaser's Liability.** A purchaser is not liable for any unpaid Assessment or fee greater than the amount set forth in the certificate prepared by the Association unless and to the extent such purchaser had actual knowledge thereof. An Owner is not liable to a purchaser for the failure or delay of the Association to provide the certificate in a timely manner, but the purchaser's contract is voidable by the purchaser until the certificate has been provided and for five days thereafter or until conveyance, whichever occurs first.

10.2 **Fee for Preparation of Certificate.**

The Board of Directors may impose a reasonable fee to furnish all the information required in accordance with Section 10.1 and payment thereof shall be a prerequisite to the issuance of the certificate.

11. **Amendment of Bylaws.**

11.1 **Amendment of Bylaws.**

Amendments to the Bylaws may be adopted by the vote of a majority of the voting interest of the Association participating, in person, by proxy or written vote, at a duly constituted meeting of the Association at which a quorum is present, or without any meeting if all Owners have been duly notified and Owners holding at least a majority of the total voting interest in the Association consent in writing to such amendment. All proposed amendments shall be submitted for consideration in writing. Amendments may be proposed by the Board of Directors or by petition signed by Owners representing at least 20% of the voting interest in the Association.

11.2 Consent of Mortgagees.

No amendment to these Bylaws, the object of which is to change any of the rights, obligations or duties of the Association or Owners as to any matters for which the consent of any Mortgagee is required under Article XVI of the Restated Declaration, shall be valid absent the consent of such Mortgagees as may be required thereby.

12. Notice.

12.1 Manner of Notice.

Unless specified otherwise in other sections of these Bylaws, whenever any notice is required to be given under the provisions of the Condominium Act or of the Governing Documents to any Mortgagee or Owner, it shall not be construed to require hand-delivered notice, but such notice may be given in writing, by first class mail, addressed to such Mortgagee or Owner at such address as appears on the books of the Association. With the consent of any Owner, e-mail may substitute for ordinary mail. Eligible Mortgagees may be entitled to notice by certified or registered mail pursuant to Section 16.2(d) of the Restated Declaration. Notice of Directors' meetings shall be given as prescribed in Section 6.2.4.

12.2 Waiver of Notice.

Whenever any notice is required to be given under the provisions of the Act, the Restated Declaration or these Bylaws, a Waiver thereof, in writing, signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent to notice.

13. Miscellaneous.

13.1 Compliance with Law.

These Bylaws are set forth in compliance with the Condominium Act and the Restated Declaration, and the provisions of RCW 24.06.

13.2 Conflict.

These Bylaws are subordinate and subject to the Act and the Restated Declaration. In the event of any conflict between these Bylaws and the foregoing, the provisions of the foregoing shall control, in that order of priority.

13.3 Severability.

If any provision of these Bylaws or the application thereof in any circumstances is held invalid, the validity of the remainder of these Bylaws shall not be affected thereby,

and to this end the provisions of these Bylaws are declared to be severable.

13.4 Captions.

The captions (section headings) of these Bylaws are for convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of these Bylaws.

13.5 Gender, Number.

Whenever in these Bylaws the context so permits, the use of the singular shall include the plural and the converse; and the use of any gender shall be deemed to include either gender.

IN WITNESS WHEREOF, Cabana Club Condominium Owners' Association, a Washington Nonprofit Miscellaneous and Mutual corporation, has caused this instrument to be adopted as the Association's Bylaws by resolution of its Board of Directors, as attested by its Secretary effective the 29th day of October, 2005.

ATTEST:



Robin Barker, Secretary