

BYLAWS OF ASSOCIATION OF APARTMENT OWNERS

OF

NOBLE FIRS A Condominium

The following are the Bylaws of the Association of Apartment Owners of this condominium established according to the laws of the State of Washington. These Bylaws apply to the entire condominium, each apartment therein and all common and limited common areas and provide, as required in the laws, for operation of the condominium. Each apartment owner automatically by virtue of such ownership becomes a member of the Association of Apartment Owners. All present and future owners, mortgagees and other encumbrancers, lessees, tenants, licensees, and occupants of apartments, and their guests and employees, and any other person who may use the facilities of the condominium are subject to these Bylaws, the Declaration and the rules and regulations pertaining to the use and operation of the condominium. These Bylaws may be amended as provided herein.

ARTICLE I

Membership; Register; Voting

1. Membership. The fee owners and contract purchasers of apartment units in this Condominium shall, together, constitute the Association of Apartment Owners. Trustees under an express trust and other fiduciaries, as well as natural persons may be members. Owners of an apartment as joint tenants, tenants in common, community property, 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 percentage of interest for voting power appurtenant to the apartment owned.

2. 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 have custody of the minor.

3. Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Members of the Association who sell or convey their interest in an apartment shall promptly report to the Board of directors the name and address of their successor in interest. Members of the Association shall, upon request, furnish the Board with a copy of any documents under which they assert ownership to an apartment, or any interest therein, and any documents creating a security interest in such apartment.

4. Voting Owner. There shall be one "voting owner" of each apartment. The voting owner shall be designated by the owner or owners of each apartment by written notice to the Board of Directors, or Managing Agent, and need not be an owner. The designation shall be revocable at any time by actual notice to the Board or Managing Agent of the death or judicially declared incompetence of any party with an ownership interest in the apartment or by written notice to the Board or Managing Agent by any such owner of the apartment. This power of designation and revocation may be exercised by the guardian, administrators or executors of an owner's estate. Where no designation is made, or where a designation has been made but is revoked and no new designation has been made, the voting owner of each apartment shall be the group composed of all of its owners; any or all of such owners may be present at any meeting of the voting owners and, if those present act unanimously, the several owners may vote or take any other action as a voting owner. If the owner's power is subject to the right of a mortgagee, beneficiary of a deed of trust, or vendor to exercise the vote if pledged by an owner and appoint its nominee to cast the vote. If not so pledged the mortgagor, deed of trust trustor, or contract vendee may exercise the vote. If a husband and wife are not both at any meeting, their vote shall be cast by the spouse who is present.

5. Multiple Ownership Pledge of Vote. If a person, partnership or corporation owns more than one apartment, he or it shall have pledged their vote regarding special matters to a mortgagee or beneficiary of a deed of trust under a duly recorded mortgage or deed of trust, or to the vendor under a duly recorded real estate contract, only the vote of such mortgagee, beneficiary, or vendor will be recognized in regard to the special matters upon which the vote is so pledged, if a copy of the instrument with this pledge has been filed with the Board, and if a nominee has been appointed and after notice attends the meeting where the vote is required. Amendments to this paragraph shall only be effective upon the written consent of all the voting owners and their respective mortgagees, deed of trust beneficiaries, and vendors, if any.

ARTICLE II

Meetings of Members

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 of Directors or Managing Agent.

2. Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each year, on a date fixed by the Board. At such annual meeting the members shall elect a Board or Directors or fill vacancies therein in accordance with the provisions of the Declaration and Bylaws and there shall be transacted such other business as may come before the meeting.

3. Special Meetings. It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors, by a majority of the Board, or upon the written request of one-third of the members of the Association, or

of the Managing Agent. A meeting called at the request of the members shall be held at such time as the President may fix, which time shall not be less than ten or more than thirty days after the receipt of the written request therefore.

4. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual and special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member at the address of the apartment in which he holds the ownership or at such other address as such member shall have furnished to the Board in writing, at least ten days prior to such meeting. At least 10 days written notice shall be given to each member of any meeting at which there will be submitted to a vote of the members an amendment to the Declaration or to these Bylaws. Notice of any meeting of the members of the Association may be waived in writing at any time.

5. Quorum. The presence of members and/or voting owners of the Association together holding 60% of the total vote shall constitute a quorum for the transaction of business at any meeting of members of the Association.

6. Majority Vote. Except as otherwise provided by statute, by the recorded Declaration, or these Bylaws, passage of any matter submitted to vote at a meeting where a quorum, as defined by these Bylaws, is in attendance, shall require the affirmative vote of at least 51% of the voting power present.

7. Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with no 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
- (i) Adjournment

8. Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of Roberts Rules of Order, Revised.

9. Complaints and Official Business. Any complaints and all official business shall be transmitted in writing, emergencies excepted, and such written business shall be submitted to the Board of Directors through the President if available, and the Secretary if the President is not available. The Board of Directors shall answer all official matters submitted to them in writing after they have acted upon it at the next regular meeting of the Board.

ARTICLE III

Board of Directors

1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors composed of seven persons who shall be elected by ballot from the members of the Association. If a corporation is a member of the Association, any one of its officers, directors or stockholders may be elected to the Board, and one partner of a partnership which is an owner may serve on the Board.

2. Powers and Duties. The Board of Directors shall have the powers and duties provided for the administering authority of the condominium in the statutes and provided for the Board in the Declaration, and all other powers necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by statute or the Declaration prohibited or provided for in another manner, including but not limited to the following:

- (a) Care, upkeep and surveillance of the property and the common areas and facilities and the limited common areas and facilities;
- (b) Collection of monthly and other assessments from the owners and expenditure of such funds for purposes of the condominium;
- (c) Designation and dismissal of the personnel necessary for the maintenance and operation of the property, the common areas and facilities and the limited common areas and facilities;
- (d) To purchase and keep in effect policies of insurance which shall, insofar as obtainable, provide at least the following insurance coverage:
 - (1) Insurance for loss or damage by fire, with extended coverage, and for such other casualty loss as the Board may determine advisable, which shall extend to all improvements upon the property for their full insurable replacement cost, without deduction for depreciation, and which policy shall be written, payable and settled as provided by law, in the name of the Managing Agent or of the Board of Directors of the Association of Apartment Owners, in trust for the owners, mortgagees, and deed of trust beneficiaries, as their interests may appear, according to the percentages established in the Declaration. In addition, on behalf of Apartment Owners, the Managing Agent or Board of Directors is required to insure, through the Association, coverage to include fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceiling of the individual condominium units: including (1) all interior walls, ceilings, floors and doors; (2) all permanently installed cabinets, counters, plumbing fixtures, electrical fixtures, wall coverings, floor coverings and ceiling finishes; and

- (3) refrigerators, stoves, ranges or ovens (excluding microwave ovens when not built-in or other portable ovens), dishwashers (when built-in), garbage disposals and any other permanently installed appliances. This type of policy will not insure any draperies, sheer drapes, or other window coverings, automatic clothes washers or dryers, or any personal property belonging to the individual condominium unit owner.
- (2) Liability coverage for the Managing Agent, if one, employees, the Board members and Association, and Apartment Owners, in such amounts as the Board shall determine, against claims for bodily injury or injury to property incurred in or upon the common areas.
- (3) Fidelity bond coverage as determined by the Board to cover all persons or entities responsible for Association funds unless they are federally insured.
- (e) Unless otherwise provided herein or in the Declaration or by statute, the Board may act to comply with the instructions or a majority of the Apartment Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Association of Apartment Owners.

3. Insurance. Each owner may obtain additional insurance respecting his apartment as contemplated under the provisions of the Act at his own expense: No owner shall, however, be entitled to exercise his right to maintain insurance coverage in any manner which would decrease the amount which the Board, on behalf of all of the owners, will realize under any insurance policy which the Board may have in force on the condominium at any particular time. Each owner is required to and agrees to notify the Board of all improvements by the owner to his apartment, the value of which is in excess of One Thousand Dollars (\$1,000.000). Any owner who obtains individual insurance policies covering any portion of the condominium other than personal property belonging to such owner is hereby required to file a copy of such individual policy or policies with the Board within thirty (30) days after purchase of such insurance and the Board shall immediately review its effect with the Board's insurance broker, agent or carrier.

4. Election and Term of Office. At each annual meeting of the Association the appropriate number of new directors shall be elected to serve a term of office of three years to maintain a Board membership of seven members. The Directors shall hold office until their successors have been elected and hold their first meeting. Terms shall be computed from the date of the annual meeting.

5. Vacancies. Vacancies in the Board of Directors caused by reason 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.

6. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed, with or without cause, by a majority of the owners and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting of the association at which he is to be removed. This section affects only elected Directors.

7. Compensation. No compensation shall be paid to directors for their services as Directors.

8. Regular Meetings. Regular meetings of the Board of Directors 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 four 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 telegraph, at least three days prior to the day fixed for such meeting.

9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three days' notice to each Director, given personally or by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President and Secretary in like manner and on like notice on the written request of any Directors.

10. Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waive of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

11. Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum of the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors.

ARTICLE IV

Officers

1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors. Any two of the offices of Vice President, Secretary and Treasurer may be combined in any one person. The Directors may appoint an Assistant Treasurer and an Assistant Secretary and such other officers as in their judgment may be necessary.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the members and of the board of Directors and shall have all powers and duties usually vested in the office of the President.

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 of Directors.

6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and of the members. He shall, in addition, perform all duties usually incident to the office of Secretary of a business corporation.

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.

8. Other Officers, Assistants, Employees. Other officers of the Association, assistants to the officers, or persons employed to assist the officers, shall have such authority and shall perform such duties as the Board of Directors may prescribe within the provisions of the applicable statutes, the Declaration, and these Bylaws. An Assistant Secretary or Treasurer shall also have all powers of the Secretary and Treasurer respectively in the absence of such officers.

ARTICLE V

Committees

1. Committees of Directors. The Board of Directors may designate one or more committees, each of which shall 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 of Directors in the management of the Association, but the designation of such committee shall not operate to relieve the Board of directors of any responsibility imposed upon it by law.

2. Other Committees. Other committees, not having or exercising the authority of the Board of Directors in the management of the Association, may be designated by

the President or the Directors, and such committees may be composed of one or more members of the Association other than Board members, but each shall have one Board member as a member or chairman.

ARTICLE VI

Obligations of Apartment Owners

1. Monthly Assessments. All owners are obligated to pay monthly assessments imposed by the Association to meet all common expenses of the property as provided in the Declaration.

2. Rules of Conduct.

(a) No resident of the property shall post any advertisements or posters of any kind in or on the property except as authorized by the Board.

(b) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

(c) It is prohibited to hang or dust garments, rugs, etc., from the windows or from any of the facades of the property.

(d) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas.

(e) No owner, resident or lessee shall install wiring or electrical or telephone installations, television antennae, machines or air conditioning units, etc., on the exterior of the project or that protrude through walls or the roof of the property, except as authorized by the Board.

(f) No illegal use shall be made of the premises.

(g) The Board may, from time to time, adopt such other Rules of Conduct as may be required for the welfare of the Association and when so adopted, such Rules shall be binding upon all of the residents and/or owners of the property. The Association may, from time to time, modify such rules.

(h) If any resident shall keep a dog or other pet in this apartment, he shall take all special care required to insure that such pet shall not disturb other condominium residents in any way. If the Board of Directors shall receive a written complaint signed by any owners concerning a bothersome animal, the Board shall, in its discretion, take action to eliminate the problem and may require the owner of such pet to dispose of the pet, regardless of when the pet was obtained, or whether other owners are permitted to retain their pets. No pet shall ever be permitted in common areas without a handler and must be on a leash.

(i) Homeowners shall be responsible for the conduct of their children and their guests in common areas including the pools.

3. Lease or Rental of Units. An owner desiring to lease or rent his unit shall use the form of lease adopted by the Board of Directors. If any other form of lease is used in violation of this provision, then by operation of the Declaration and these Bylaws it shall

be deemed to include all provisions of the lease adopted by the Board as if specifically set forth therein.

ARTICLE VII

Handling of Funds

1. Accounts. The Association shall establish the necessary funds or accounts to properly provide for the operation and maintenance of the property. Overall supervision of these funds shall be the responsibility of the Treasurer of the Association. The Treasurer shall administer the various accounts in such a way that the funds are secure and that signature cards at the various institutions containing the funds are up to date.

2. Insurance Account. The Treasurer shall cause to be established an interest-bearing savings account in a commercial bank, savings bank or savings and loan association in which the entire amount is federally insured, this account to be known as the Insurance Account. Each month the Treasurer shall first cause to be deposited in the Insurance Account an amount equal to at least one-twelfth of the total cost of all premiums for the policy or policies and bonds that are provided for the Condominiums.

3. Reserve Account. A reserve account shall be established as an interest bearing savings account in a commercial bank, savings bank or savings and loan association, in which the entire amount is federally insured, this account to be known as the Reserve Account. The purpose of the Reserve Account is to provide for major redecoration of interior and exterior common areas, for replacement of structural elements and mechanical equipment of the Condominium, for financial stability during periods of special stress, and to meet deficiencies in the general funds that may occur from time to time as a result of delinquent payment of assessments, and for other contingencies. An amount equal to 3% of the monthly assessments chargeable to the owners shall be allocated to this account until the account with such contributions and any other contributions allocated thereto is equal to 30% of the current annual amount of the owners assessments, at which time, with Board approval, the monthly allocation may be reduced to 2% of the monthly assessments. If subsequent withdrawals from this account reduce its balance below the said 30% level, deposits of 3% of the monthly assessments shall be resumed until the account level is restored to 30% of the current annual assessments.

4. General Account. The Treasurer shall cause to be established a checking account in a commercial bank, in which the entire amount is federally insured, to be known as the General Account. This account will be the working capital account for the operation of the Condominium and will normally receive all monthly assessments, and all income and other funds received by the Association. Checks shall be issued from this account for all management, maintenance, and operation expenditures necessary for the Condominium. Funds for the Insurance Account and Reserve Account will normally be received and deposited in the General Account and checks issued to the other accounts

immediately so that an overall accounting of the funds received and disbursed by the Association is centralized in the check register of the General Account.

ARTICLE VIII

Amendment of Percentage of Interest in Common Areas and Facilities

1. Periodic Appraisal. The property and all parts thereof shall be reappraised upon the happening of any event which, in the judgment of the Board of Directors, requires a reappraisal and reapportionment of the values of one or more apartment and/or appurtenant common areas and facilities. Such appraisal shall be made by some competent appraiser selected by the Board. After such appraisal has been made, it shall be considered by the apartment owners at a meeting duly called for that purpose after not less than 10 days nor more than 20 days notice to the apartment owners. Any apartment owner shall have the right to be heard at such meeting and to introduce evidence if he desires. The value of the property and of each apartment and the percentage of undivided interest in the common areas and facilities shall not be altered without first amending the Declaration, and any such amendment shall require the unanimous consent of the apartment owners.

ARTICLE IX

Keeping Records and Reports

1. General. The Board of Directors shall cause to be kept complete and accurate books and records of the receipts and expenditures affecting the common areas and facilities, specifying and itemizing the maintenance and repair expenses of the common areas and facilities and any other expenses incurred. Such 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 apartment owners, their agents or attorneys, at any reasonable time or times.

2. Financial Reports. The Board of Directors shall cause to be issued and mailed to all members at least biennial financial reports which shall include a balance sheet, a statement of operations, and a statement from the President indicating to the membership the general condition of the Association, and providing a comparison between the actual expenses of operation and the projected expenses outlined in the current budget upon which the current assessments are based.

ARTICLE X

Collection of Assessments

1. Security Deposit. Should a member be chronically delinquent in paying his monthly assessments, the Board of Directors may, in its discretion, require such member from time to time to make a security deposit, not in excess of three months estimated

monthly assessments which may be collected as are other assessments. Such deposit shall be held in a separate fund, credited to such member and resort may be had thereto at any time when a member is 10 days or more delinquent in paying his monthly or other assessments.

ARTICLE XI

Amendments

These Bylaws may be amended by a 67% vote of the voting power of all owners of apartments at a meeting at which a quorum is present. A proposed amendment shall be submitted to the membership as directed by the Board of Directors, or upon filing with the Secretary a petition signed by at least one-fifth of the voting power of the members of the Association.

ARTICLE XII

Additional Mortgagee's Protections

Upon its written request the mortgagee or deed of trust beneficiary in a first lien position respecting any apartment in this condominium shall be entitled: (1) Itself, or by its accountants, attorneys or agents, to examine the books of the Board and the Association of Owners to the same extent and upon the same conditions as an owner of an apartment may examine them under the Act. (2) To receive written notice from the Association of Owners by its Board, Manager or Managing Agent, of any default by the mortgagor or grantor in the performance of any obligation under the Condominium Declaration, Bylaws or Rules or Regulations if the default is not cured within thirty (30) days from the date of such default. (3) To receive written notification from the Association of Owners of any loss or taking exceeding \$10,000.00, such notice to be given to the mortgagee or deed of trust beneficiary at the address specified by it in writing from time to time.

PRESIDENT

NOBLE FIRS HOMEOWNERS ASSOCIATION