

BYLAWS
OF
CHURCHILL COURT OWNERS' ASSOCIATION

The following are the Bylaws of Churchill Court Owners' Association, a Washington non-profit Corporation. These Bylaws provide for operation of Churchill Court Condominium, a Condominium established under the laws of the State of Washington. They apply to the Condominium, each unit therein, and all common elements. Each owner automatically, by virtue of such ownership, becomes a member of the Association. All present and future owners, mortgagees and other encumbrancers, lessees, tenants, licensees, and occupants of units, 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 Covenants, Conditions, Restrictions and Reservations for Churchill Court Condominium and the Rules and Regulations pertaining to use and operation of the condominium.

ARTICLE I

MEMBERSHIP; REGISTER; VOTING

Section 1.1. Membership. The owners of units in the condominium shall constitute the Owners' Association. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members of the Association. Owners of a unit as joint tenants, tenants in common, community property, or other ownership involving more than one owner, shall be joint members of the Association, but their vote must be cast as a single vote. Fractional votes shall not be allowed.

Section 1.2. Voting. The total voting power of all members shall be ten (10) votes and the total number of votes available to the owner or owners of any unit shall be one vote per unit. A member who owns more than one unit shall have the votes appertaining to each unit owned. A unit owned by more than one person or entity must cast one vote for that unit.

Section 1.3. Persons Under Disability. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified, and acting guardian of their estate voting on their behalf, or, in the case of a minor with no legal guardian of his estate, through a parent having custody of the minor.

Section 1.4. Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who

purchase an interest in a unit shall promptly inform the Board of their interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a unit or any interest therein, and any mortgages thereon.

ARTICLE II

MEETINGS OF MEMBERS

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

Section 2.2. Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year, on a date fixed by the Board. At such annual meeting there shall be a financial report, the owners shall elect members to the Board or fill vacancies therein, and such other business as shall properly come before the meeting may be transacted.

Section 2.3. 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 or upon the written request of a majority of the Board or upon the written request of owners having one-half of the total voting power of the Association. A meeting called at the request of the members shall be held at such time as the president may fix, which time shall be not less than 10 and not more than 30 days after the receipt of the written request therefor.

Section 2.4. Notice of Meetings. It shall be the duty of the secretary to give notice of each annual and special meeting, stating the purpose thereof and the time and place where it is to be held, to each member of the Association and to each mortgagee that has requested notice. Notice shall be given at least ten and not more than 30 days before each meeting. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

Section 2.5. Quorum. The presence in person or by proxy of members of the Association or voting representatives holding 75% of the total voting power shall constitute a quorum for the transaction of business at any special meeting of members of the Association.

Section 2.6. Proxies. Any owner or voting representative may vote by proxy. Proxies shall be in writing, signed by the owner or voting representative, and filed with the Board. Proxies may be revoked at any time by written notice to the Board. Any designation of proxy must be signed by all owners of a unit; but where husband and

wife are owners, the proxy need be signed by only one spouse unless the other spouse notifies the Board not to accept the proxy.

Section 2.7. Adjournment of Meetings. If any meeting of owners cannot be organized because a quorum has not attended, the owners present, in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time the original meeting was called.

Section 2.8. Majority Vote. Except as otherwise provided by statute, by the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is in attendance, shall require the affirmative vote of at least 51% of the voting power present.

Section 2.9. Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

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

Section 2.10 Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1. Number and Qualifications. The affairs of the Association shall be governed by a Board of not fewer than three nor more than six directors, who shall be elected by ballot from the members of the Association. The members of the Association at any meeting may change the number of directors within those limits, but shall not reduce the number in such a manner to deny an incumbent director (unless removed for cause) a full term of office. If a corporation is a member of the Association, any one of its officers, directors, or shareholders may be elected to the Board; if a partnership is a member, any one partner of such partnership may be elected to the Board.

Section 3.2 Powers and Duties. The Board shall have the powers and duties provided for the administering authority of the condominium in the statutes and in the Declaration, and all other power necessary for the administration of the affairs of the Association, and may do all such acts and things as are not prohibited by statute or by the Declaration required to be done in another manner. No contract made by the board or any officer for the Association shall have a fixed term longer than one year.

Section 3.3 Managing Agent. Management of the condominium shall initially be carried out by the unit owners.

Section 3.4 Election and Term of Office. At the first annual meeting there shall be a meeting of the Association to elect a Board of three directors to serve until the first day of the calendar month following the date of adjournment of the next annual meeting. Thereafter, the term of office for directors will begin on the first day of the calendar month following the date of adjournment of the annual meeting at which they are elected. The normal term of office for directors will be for three years and until their successors are elected and take office.

Section 3.5 Vacancies. Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so selected shall be a director until a successor is elected at the next annual meeting of the Association to serve the balance of the unexpired term.

Section 3.6 Removal of Directors. At any regular or special meeting after the transition date, any one or more of the directors may be removed, with or without cause, by the holders of a majority of the total voting power of the Association and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 3.7 Compensation. No compensation shall be paid to directors for their services as directors.

Section 3.8 Organization Meeting. The first meeting of the newly elected Board shall be held within the first ten (10) days of the month following the month in which they are elected, at a place to be fixed by the directors at the meeting at which the directors were elected, and no notice shall be necessary to the newly elected directors in order legally to call the meeting, providing a majority of the whole Board shall be present at the meeting.

Section 3.9 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one such meeting shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director personally or by mail, telephone, or facsimile, at least three days before the day fixed for the meeting.

Section 3.10. Special Meetings. Special meetings of the Board may be called by or at the request of the president, on three (3) days notice to each director, given personally or by mail, telephone or facsimile, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by either the president or secretary in like manner and on like notice on the written request of any director.

Section 3.11. Waiver of Notice. Before any meeting of the Board, any director may, in writing, waive notice of such meeting. Attendance by a director at any meeting of the Board shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 3.12. Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for 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. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At the adjourned meeting any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 3.13 Open Meeting. Any owner or voting representative may attend any meeting of the Board, but shall not be entitled to participate except with the consent of the Board. The Board may, however, go into private, executive session to consider the employment or dismissal of the managing agent or other persons employed by the Association, or to hear complaints or charges brought against such person, unless the person requests a public hearing, or to discuss with legal counsel litigation in which the

Association is or is likely to become a party if public discussion would adversely affect the interests of the Association in such litigation.

ARTICLE IV

OFFICERS

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

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

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

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

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

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

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

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

Section 4.9 Compensation. The Board may pay reasonable compensation to any officer or owner who performs substantial services for the condominium in carrying out the management duties of the Board. The Board's decision to compensate an officer shall not become final until 60 days after notice of it (including the amount of compensation to be paid) has been given to all persons entitled to notice of meetings of the Association, and such decision may be reversed by the members of the Association at a meeting duly called and held within 60 days after the notice of the decision was given.

ARTICLE V

COMMITTEES

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

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

ARTICLE VI

OBLIGATION OF OWNERS.

Section 6.1. Assessments. All owners are obligated to pay assessments imposed by the Association to meet the common expenses of the condominium as provided in the Declaration.

Section 6.2. Foreclosure of Assessment Lien - Rental Value of Units. From the time of commencement of an action against an owner to foreclose the lien of unpaid assessments, the owner shall pay to the Association the reasonable rental value of the unit. The Association shall be entitled to the appointment of a receiver to collect the rental, who may, if the rental is not paid, obtain possession of the unit, refurbish it to a reasonable standard, and rent the unit or permit its rental to others. Rents collected therefrom shall be applied: First, to pay the expenses of the receivership (including reasonable attorney's fees); second, to reimburse the costs of refurbishing the unit; third, to costs, fees and charges incurred by the Association in the foreclosure action; and fourth, to the payment of the assessments due and any interest accrued thereon. Any judgment rendered against the owner in a foreclosure action or receivership proceeding shall include a reasonable sum for attorneys fees and for all costs and

expenses reasonably incurred in preparation for or in the prosecution of the action, in addition to taxable costs permitted by law.

Section 6.3 Damages to Common Areas. Each owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common element damaged through that owner's fault. In the case of multiple owners of a unit when the offending owner of that unit cannot be identified, all owners of that unit shall be jointly and severally responsible for said reimbursement.

ARTICLE VII

RIGHTS OF ACTION.

Each owner, the Board and the Association shall comply strictly with the Declaration, these Bylaws, and with the administrative rules and regulations adopted pursuant thereto, as they may be lawfully amended from time to time, the decisions of the Board, and with the covenants, conditions and restrictions set forth in the deed to his unit. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages, and for injunctive relief, or any or all of them, maintainable by the Board or the managing agent on behalf of the Association or by an owner.

ARTICLE VIII

HANDLING OF FUNDS.

Section 8.1 Accounts. The Association shall establish the necessary funds of accounts to provide properly for the operation and maintenance of the condominium. Overall superintendence of these funds shall be the responsibility of the treasurer of the Association.

Section 8.2 Working Capital Fund. There shall be established a checking account in a commercial bank to be known as the "Working Capital Fund". This fund will be used for the normal operation of the Association and will receive all monthly assessments, if any, and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the condominium.

ARTICLE IX

KEEPING RECORDS AND REPORTS

The Board shall cause to be kept complete, detailed and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers and other records of the

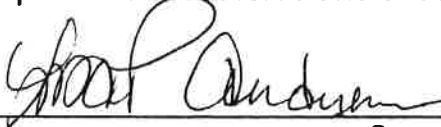
Association shall be available for examination by the owners, mortgagees, and the agents for attorneys of either of them, during normal business hours and at any other reasonable time or times.

ARTICLE X

AMENDMENTS

The procedure and necessary consents required for adoption of amendments to the Bylaws are set forth in Article 26 of the Declaration. An amendment will become effective upon the recording of a certificate of the amendment, executed by two officers of the Association, in the public records.

I, Lisa P Anderson, as secretary of Churchill Court Owners Association, hereby certify that the foregoing constitute the bylaws of this corporation as adopted and in full force and effect on this 11th day of April, 2006.


, Secretary