

BYLAWS
ANCHOR COVE MARINA CONDOMINIUM ASSOCIATION

October 7, 2017 Revision

ARTICLE I
IDENTITY

Section 1. The Association

These are the Bylaws of Anchor Cove Marina Condominium Association (the Association). The Association is a non-profit corporation organized in compliance with the terms of the Declaration of Anchor Cove Marina Condominium (the Declaration), a condominium project, located in the City of Anacortes, Skagit County, State of Washington, said condominium organized under the provisions of R.C.W.64.32, the "Horizontal Property Regimes Act".

Section 2. Registered Office

The registered office of the Association shall be in the City of Anacortes, County of Skagit, State of Washington, at such location therein as the Board of Directors of the Association may fix and determine from time to time.

ARTICLE II
MEETINGS OF THE MEMBERS OF THE ASSOCIATION

Section 1. Annual Meeting

The annual meeting of the Association shall be held no later than November 1 each year at a time and place designated by the Board of Directors.

Section 2. Special Meetings

Special meetings of the Association shall be held whenever called by the President or Vice President or a majority of the Board of Directors, or by members having twenty-five (25) or more votes.

Section 3. Notice of Meetings

Written notice of every meeting of the Association shall be provided to the membership. The notice shall state whether it is an annual or special meeting, the authority for the call of the meeting, the place, date and hour thereof, and the purpose therefor, and shall be given by the Secretary or the person or persons calling the meeting at least thirty (30) days but not more than fifty (50) days before the meeting date. Such notice shall be given to each member in any of the following ways:

- a. By actual delivery to the member; or,
- b. By mail, postage prepaid, addressed to such member.

If notice is given pursuant to the provisions of this Section, the failure of any member to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings thereat. Attendance by a member at a meeting shall constitute waiver of notice. Upon written request for notices, mailed by registered mail, addressed to the Secretary of the Association at the address of the Association, the holder of any duly recorded mortgage against any unit may promptly obtain a copy of any and all notices permitted or required to be given to the members. Notices of any meeting may be waived in writing before or after any such meeting.

Section 4. Quorum

At any meeting of the Association, a quorum shall exist if the members present in person or by proxy total at least fifty-one (51) of the total 100 votes of the Association when the meeting is convened and roll is called.

Section 5. Voting

The value of each member's unit rate is as stated in the Declaration, Exhibit "A", which lists the fractional (decimal) value attributable to each unit. All votes of all the condominium units total 100. Any person, firm, corporation, trust or other legal entity or a combination thereof, owning any unit in said condominium duly recorded in his, her, or its name, shall be a member of the Association and either in person or by proxy entitled to vote at all meetings of the Association. The authority given by one member to another person to represent such member at meetings of the Association shall be in writing, signed by such member or, if a unit is jointly owned, then by all joint owners, or if such member is a corporation, by the proper officers thereof, and shall be filed with the Secretary. Such proxy authority shall not be valid more than eleven (11) months from the date of signature, unless specifically provided otherwise in the proxy.

For all actions other than amending the Declaration, a majority of the total votes present at a meeting will carry the motion. For amending the Declaration, the total votes cast must equal 60.

Section 6. Order of Business

The order of business at the annual meeting of the members and as far as practical at other members' meetings shall be as follows:

- Calling of the roll and certifying proxies;
- Proof of notice of meeting or waiver;
- Reading and disposition of any unapproved minutes;
- Reports of officers;
- Review budget for the succeeding year;
- Reports of committees;
- Election of Directors, if necessary;
- Unfinished business;
- New business;
- Adjournment.

Section 7. Adjournment

Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the members present, whether or not a quorum be present, without notice other than the announcement at the meeting. At any such adjourned meeting at which a quorum is present any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

ARTICLE III BOARD OF DIRECTORS

Section 1. Number and Qualifications

The affairs of the Association shall be governed by a Board of Directors composed of seven (7) persons. All Directors shall be members of the Association.

Section 2. Powers of the Board of Directors

The Board of Directors shall have the power to:

- a. Adopt and publish rules and regulations governing the use of the general common areas and facilities, and the limited common areas and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for any infraction thereof;
- b. Exercise for and on behalf of the Association all powers, duties and authority vested in or delegated to the Association, and not specifically reserved to the membership by the provisions of these Bylaws, statutes of the State of Washington, or the Declaration;
- c. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent for three (3) consecutive regular meetings of the Board of Directors if such absence be unexcused;
- d. Employ a manager, managing agent, independent contractor, or such other employees and agents as the Board shall deem necessary and to fix and prescribe their duties, compensation, and other terms and conditions of employment;
- e. Employ attorneys, accountants and other consultants or specialists as may be reasonably necessary or convenient to the management and administration of the Association, and to authorize their reasonable compensation as common expenses;
- f. Do all things necessary for the administration of the affairs of the Association and for the accomplishment of the best interests of the Association, its facilities, utilities, and properties.

Section 3. Duties of the Board of Directors

It shall be the duty of the Board of Directors to:

- a. Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Association, or at any special meeting called for that purpose;
- b. Supervise all officers, agents and employees of the Association and to see that their duties are properly performed;
- c. Supervise the care, upkeep and surveillance of the project and of the general and limited common areas and facilities; to employ a "Harbor Master" for these purposes;
- d. Fix the amount of the annual assessment or dues for administration, maintenance and repair of the common areas and facilities payable by each unit owner at least thirty (30) days in advance of the due date thereof and to give written notice of such dues and assessments to every member and owner subject thereto at least thirty (30) days in advance of the due date, or as provided in the Declaration;
- e. Provide means for the collection of dues and/or assessments, as set out in Article VIII, Assessments, of these Bylaws;
- f. Prepare and present annual budget to members;
- g. Obtain and maintain insurance as required by the Declaration and Articles of Incorporation, and such additional insurance as shall be approved by the members.

Section 4. Election of Directors

The Directors shall be elected by a majority of the owners present or represented by proxy at an annual meeting. They shall be elected and serve for a two (2) year term.

Section 5. Vacancies

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the members 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 elected shall serve for the unexpired term of his predecessor and until a successor is elected and seated at an annual meeting of the Association.

Section 6. Organizational Meeting

The first meeting of a newly elected Board of Directors shall be held within one (1) month of election at such time and place as shall be fixed by the Directors at the meeting at which such Directors were elected. No notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, unless a newly elected Director was not present at the meeting at which that Director was elected, provided a majority of the whole Board shall be present.

Section 7. 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. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail addressed to his residence, or by telephone, at least five (5) days prior to the day named for such meeting.

Section 8. Special Meetings

Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director, given personally or by mail addressed to his residence or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors may be called by the President or Secretary in like manner and on like notice upon the written request of at least three (3) Directors.

Section 9. Waiver of Notice

Before or at any meeting of the Board of Directors, a Director may, in writing, waive a 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 waiver 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.

Section 10. Board of Directors' Quorum

At all meetings of the Board of Directors, 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 of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which may have been transacted at the meeting as originally called may be transacted without other or further notice.

Section 11. Bonds of Officers and Employees

The Board of Directors shall require that all officers and employees of the Corporation handling or responsible for corporate funds shall furnish adequate bonds. The premiums on such bonds shall be paid by the Association as a common expense.

ARTICLE IV OFFICERS

Section 1. Designation

The executive officers of the Association shall be a President, Vice President, Secretary, and Treasurer, all of whom shall be elected by and from the Board of Directors, and all of whom shall be members of the Association. The Directors of the Association may appoint an Assistant Treasurer and Assistant Secretary and such other subordinate officers as in their judgment may be necessary.

Section 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.

Section 3. Removal of Officers

Upon an affirmative vote of a majority of the members of the Board of Directors an officer may be removed, either with or without cause, and the officer's successor elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. Removal of such officer, however, shall not effect a removal from the officer's position as a member of the Board of Directors.

Section 4. President

The President shall be the chief executive officer of the Association. The President shall preside at all meetings of the Association and of the Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the members from time to time as the President deems appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President

The Vice President shall take the place of the President and perform the President's duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed by the Board of Directors.

Section 6. Treasurer

The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements and books belonging to the Association. The Treasurer shall be responsible for the deposit of all money and other valuable effects in the name and to the credit of the Association, in such depositories as may from time to time be designated by the Board of Directors.

Section 7. Secretary

The Secretary shall attend and keep the minutes of all meetings of the Board of Directors or of the Association; shall give all notices as provided by the Bylaws and shall have such other powers and duties as may be incidental to the office of Secretary, given the Secretary by these Bylaws or assigned the Secretary from time to time by the Directors. If the Secretary shall not be present at any meeting, the presiding officer shall appoint a secretary pro tempore who shall keep the minutes of such meeting and record them in the books provided for that purpose.

ARTICLE V LIABILITIES OF OFFICERS AND DIRECTORS

Section 1. Liability Limits of Directors and Officers

No Director or officer of the Association shall be liable for acts or defaults of any other officer or member or for any loss sustained by the Association or any member thereof unless the same has resulted from the Director's or officer's own willful misconduct or gross negligence.

Section 2. Indemnification

The Association shall indemnify every Director and officer against all reasonable costs, expenses and liabilities, including counsel fees, actually and necessarily incurred by or imposed upon said person in connection with any claim, action, suit, proceeding, investigation or inquiry of whatever nature in which said person may have been involved as a party or otherwise

by reason of said person having been an officer or Director of the Association, whether or not said person continues to be a Director or officer at the time of the incurring or imposition of such costs, expenses or liabilities, except in relation to matters as to which said person shall be finally adjudged in such action, suit, proceeding, investigation or inquiry to be liable for willful misconduct or gross negligence towards the Association or, in the absence of such final adjudication, any determination of such liability of the opinion of legal counsel selected by the Association. The foregoing right of indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law and shall inure to the benefit of the legal representatives of such person. The Board shall purchase, at the Association's expense, insurance protecting the Board of Directors jointly and individually from such liability, as provided in the Declaration.

ARTICLE VI ACCOUNTING

Section 1. Budget

The Board of Directors shall adopt a budget for each calendar year or fiscal year which shall include the estimated funds required to pay common expenses and to provide for the various and sundry accounts. Such budget shall be submitted to the membership at each annual meeting.

Section 2. Accounts

The funds and expenditures of the Association shall be credited and charged to various and sundry accounts as shall be appropriate, all of which expenditures shall be common expenses. In addition to maintaining such accounts as shall be deemed necessary, the following particular accounts shall be maintained and funds credited thereto from time to time and expenditures made therefrom as required.

- a. Current expenses which shall include all funds and expenditures to be made within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves, to additional improvements, or to operations. The balance in this fund at the end of each year shall be applied to current expenses for the ensuing year.
- b. Reserve for deferred maintenance which shall include funds for maintenance items which occur less frequently than annually.
- c. A replacement reserve funds shall be established by the Board and shall be dedicated solely to replacement of facilities required because of damage, depreciation or deterioration. Monies shall be deposited in the replacement reserve fund in amounts approved by the membership commencing with calendar year 1981. These monies shall be invested in (a) commercial bank certificates of deposit, or (b) direct obligation of, or obligations, the principal and interest on which are secured by, the United States Government. All interest earned from said monies shall accrue to the replacement reserve fund.
- d. Additional improvements which shall include the funds to be used for capital expenditures for additional improvements which will be part of the general common and limited common areas and facilities.

Section 3. Depository of the Association

The depository of the Association shall be such bank or banks as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be only by checks signed by such persons as are authorized by the Board of Directors.

Section 4. Annual Audit

Any owner may at any reasonable time at his own expense cause an audit or inspection to be made of the books and records pertaining to the receipts and expenditures relating to the common facilities. The Board of Directors shall annually obtain an independent audit of all books and records of the Association by an auditor outside of the Association, and furnish copies thereof to the owners who request them.

ARTICLE VII MAINTENANCE AND ALTERATION

Section 1. Units

The Association shall maintain, repair and replace the following:

- a. All common areas and facilities, whether general or limited, including but not limited to breakwaters, wharves, docks, piers, ramps, poles, floats, aids to navigation, buoys, and excavation of maneuvering or turning areas and channels and waterways;
- b. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portion of a unit maintained by the Association; and all such facilities contained within a unit which service part or parts of the condominium other than the unit within which contained;
- c. All other common facilities including, but not limited to, buildings, paving, lighting, fencing, and water and sewer services.

All incidental damage caused to a unit by such work shall be promptly repaired at the expense of the Association.

The responsibilities of the condominium unit owner shall be as follows:

- a. To maintain, repair and replace at the owner's expense all portions of his unit except the portions to be maintained, repaired and replaced by the Association and to be responsible for any damage that the owner has caused to the common or limited common areas;
- b. Not to paint or otherwise decorate or change the appearance of any portion of the structure; not to erect any barriers or special enclosures which will impede access to any general or limited common areas and which could hinder necessary access for emergency purposes;
- c. To promptly report to the Association any defect or need for repairs for which the Association is responsible;
- d. Not to install steps, boxes or storage lockers except those of a uniform design approved by the Board and in a uniform location approved by the Board.

Section 2. Common Areas and Facilities

The maintenance and operation of the common areas and facilities shall be the responsibility and at the expense of the Association. After completion of the improvements included in the common areas and facilities which are contemplated by the Declaration, there shall be no alteration or further improvement of the real property constituting the common areas and facilities without prior approval in writing by the owners of not less than a majority of the condominium units within the project, except as the same may be provided to the contrary by these Bylaws.

Section 3. Right of Entry

The Association shall have the irrevocable right, to be exercised by the manager or person designated by the Board of Directors, to have access to each unit from time to time as may be necessary for the maintenance, repair or replacement of any of the common areas and facilities adjacent or above, or accessible therefrom, or for making emergency repairs necessary to prevent damage to the common areas or facilities.

ARTICLE VIII ASSESSMENTS

Section 1. Common Expenses

Every owner of any condominium unit in said project shall contribute *prorata*, as his respective interest in the common areas and facilities bears to the total, toward the expense of administration of said project, including but not limited to all types of insurance, the cost of operation, maintenance and repair, and the replacement of all structures in common areas and facilities thereof. The Association shall fix an annual

charge for each unit, based upon the budget, in an amount sufficient to provide for its *prorata* share of all such current expenses, reasonable reserves for future expenses of administration or otherwise, and such other expenses as the Association may deem proper, subject to adjustment from time to time as the Association may deem necessary. Such annual charge shall be payable by monthly installments due on the first day of each month.

Section 2. Assessments for Individual Services

Where services are rendered to a unit on a individual basis, such as garbage, water, sewer and no provision is made for segregation of charges to each individual unit, a total of such assessment against the entire property may be apportioned on a numerical basis and assessed equally against each unit or divided in such manner as the Board of Directors shall determine to be proper in the premises. Such assessments may be added to the assessment for the maintenance and expenses of the common areas and facilities and collection thereof enforced in like manner.

Section 3. Collection of Assessments

(a) Any unpaid assessment may be collected by such lawful method of enforcement, judicial or extrajudicial, as may be provided in the Declaration or Bylaws, or by any other lawful method authorized by the Board of Directors by resolution.

(b) If any installment of an assessment becomes delinquent for sixty (60) days, the Board of Directors shall give notice to the owner of the moorage unit that unless the assessment is paid in full within thirty (30) days, after such thirty (30) days notice the Board may demand removal of any boat from the moorage unit. Surrender of possession shall not relieve the owner of such moorage unit of liability for any assessments but the Board of Directors may, at its option, rent such moorage unit and apply the rents after paying all expenses of renting the moorage unit against the delinquent assessments.

Section 4. Lien and Enforcement Thereof

All sums assessed by the Association but unpaid for the share of the common expenses, or for utility charges, chargeable to any unit shall constitute a lien on such unit prior to all other liens except only (a) tax liens on the unit in favor of any assessing unit and/or special district, and (b) all sums unpaid on all mortgages of record. Any such lien may be foreclosed by suit by the Board of Directors acting on behalf of the Association in like manner as a mortgage of real property. In any such foreclosure the unit owner shall be required to pay reasonable rental for the unit together with attorney's fees and costs of suit. In any foreclosure action pursuant thereto, the Board of Directors, acting on behalf of the unit owners, shall have the power to bid at the unit foreclosure sale and to acquire, hold, lease, mortgage and convey the same.

ARTICLE IX COMMITTEES

Section 1. Nominating Committee

The Board of Directors shall from time to time appoint a Nominating Committee to canvass the membership for those willing to serve on the Board of Directors.

Section 2. Architectural and Dock Committee

The Board of Directors of the Association shall annually, at their organizational meeting, appoint an Architectural and Dock Committee which shall consist of as many persons, but in no event less than two (2), as the Board shall deem appropriate. The Architectural and Dock Committee shall function and shall exercise such powers as are delegated to it by the Board of Directors.

Section 3. Other Committees

The Board of Directors may from time to time appoint such other committees as are deemed appropriate to carry out its purposes, and shall appoint such committees as are necessary for the performance of the requirements of the Declaration.

Section 4. Reporting

All committees shall report directly to the Board of Directors of the Association.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 1. Rules of Conduct

Rules and regulations concerning the use of the units, of the common areas and facilities and limited common areas and facilities shall be adopted and amended by the Board of Directors. Copies of such rules and regulations shall be furnished by the Board of Directors to each unit owner prior to their effective date.

Any unit owner, or his or her tenant, who fails to comply with the Association's Declaration, Bylaws, rules and regulations, may have the owner's or tenant's vessel removed from the Anchor Cove Marina. PROVIDED, However, that prior to such removal, the Association shall provide written notice to the unit owner (and tenant, if applicable) that failure to cure the subject violation within 10 days (from the date of the notice) may result in the vessel being removed. In the event that a vessel poses an immediate danger to the Marina, other vessels, and/or people, the vessel shall be removed as quickly as possible, without any advance notice to the vessel owner, and the Association shall notify the vessel owner as soon as practicably possible. The vessel shall be transported to a nearby moorage or storage facility other than Anchor Cove, or turned over to the custody and control of the vessel owner, who shall be free to transport and moor the vessel at any location other than the Anchor Cove Marina. The vessel shall not be permitted to return to the Marina until such time as the Owner (and/or tenant, if applicable) and/or the vessel is in full compliance with the Association's Declaration, Bylaws, rules and regulations, as confirmed by either the Board of Directors or the Harbor Master. Each unit owner and tenant hereby understands that all costs and risks associated with vessel removal for said violations shall be incurred solely by the unit owner, regardless of whether such violation was caused by a unit owner or his or her tenant. The Anchor Cove Marina Condominium Association and its Board of Directors, employees, and agents, shall in no way be held liable for any consequential or incidental damages which may result to a unit owner's or tenant's vessel once it is removed from the Anchor Cove Marina. Further, the unit owner and/or tenant agree to indemnify and hold the Association harmless from any and all claims from third parties that may arise from the removal of the vessel from the Marina, and the unit owner and/or tenant agree to pay for the cost of defending any such third party claims (including paying any subsequent judgments, and/or costs of appeals) that are brought against the Anchor Cove Marina Condominium Association and its Board of Directors, employees, and agents. This section shall not apply to any violations that involve unpaid assessments or over length violations, as enforcement for those sorts of Association rules is covered in the Association Declaration, as amended.

Section 2. Closure Due to Hazard

If an environmental or other hazard develops which temporarily makes the project unsafe, the Harbor Master or the Board of Directors may, with or without cooperation of local authorities, declare any portion of the project temporarily closed. During such period of temporary closure, any access to the dock areas will be by permission of and in compliance with conditions dictated by the Harbor Master, the Board of Directors, or the local authorities. Persons failing to honor such temporary closure may be subject to prosecution for trespass and/or for violation of Anacortes Municipal Code, Chapter 17.66.

Section 3. Reference to Declaration

In these Bylaws where anything is in conflict with the Declaration or the statutes of the State of Washington, then the Declaration or the statutes shall prevail.

Section 4. Notices

Except as herein expressly provided with respect to notices of meetings of the members and of the Board of Directors, all notices to the Board of Directors or the Association shall be sent by registered mail or certified mail to the registered agent of the Association or to such other address as the Board may hereafter designate from time to time. All notices to any unit owner shall be sent by certified mail to such address as may have been designated by the unit owner from time to time in writing to the Board of Directors. All notices required to be given to mortgagees of any condominium unit shall be sent by certified mail to their respective addresses as designated by them from time to time in writing. All notices shall be deemed to have been given when mailed, except notices of change of address which shall be deemed to have been

given when received.

Section 5. Severability

The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability, or affect the balance thereof.

Section 6. Captions

The captions herein are inserted only as a matter of convenience and for reference and in no way confine, limit, or describe the scope of these Bylaws, or the intent of any provision thereof.

Section 7. The Use of Section, Number, Gender

The use of the masculine gender in these Bylaws shall be deemed to include the feminine gender and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 8. Waiver

No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 9. Conflicts

These Bylaws have been adopted and are intended to comply fully with the provisions of the Horizontal Property Regimes Act of the State of Washington, Chapter 64.32, Revised Code of Washington, and with the Nonprofit Corporations Act, Chapter 24.03, Revised Code of Washington. In case any of these Bylaws conflict with such provisions or with the Declaration, the provisions of such statute or Declaration, as the case may be, shall control.

Section 10. Amendments

These Bylaws may be amended by a majority of the total votes present at any annual meeting, or special meeting called for the purpose of amending the Bylaws, at which a quorum is present. Copies of proposed amendments shall be included in meeting notices submitted in accordance with Article III, Section 3 of these Bylaws.

ADOPTION OF BYLAWS

The foregoing revised Bylaws were adopted by a majority vote of the members of the Association on the 7th day of October 2017.

Anchor Cove Marina Condominium Association

By: _____

President

Attest: _____

Secretary