

BYLAWS

OF

THE GAYLE CONDOMINIUM

THESE BYLAWS of the Gayle Condominium Association, hereinafter called "Bylaws", are made and executed at Seattle, King County, State of Washington, this ___ day of _____, 1978, by PAUL W. CHEMNICK and PATRICIA CHEMNICK, husband and wife, EUGENE M. MOEN and MARGARET MOEN, husband and wife, and ARTHUR PASETTE and SALLY PASETTE husband and wife, hereinafter called "Declarant", for the condominium known as The Gayle, hereinafter called "Condominium", all pursuant to the provisions of the Washington Horizontal Property Regimes Act, as amended. The Terms used herein shall have the same meanings as given to them in the Declaration, except as otherwise expressly provided herein.

ARTICLE I

MEETINGS

1. Annual Meeting. An annual meeting of the Apartment Owners shall be held on any Monday in April of each year, commencing with 1978, as designated by the Board of Directors. Apartment owners shall be notified of the place of the annual meeting by the Manager, or by one of the officers of the Association, in writing at least ten days in advance of the date of such meeting.
2. Special Meetings. Special meetings of the Association may be called by the Chairman or Secretary or by a majority of the Board of Directors, and must be called upon receipt of a written request from Apartment owners holding at least 30 percent of the voting power, stating the purpose of the meeting. Notice of special meetings shall be given to the Apartment owners in the same manner as in the case of annual meetings, except that notices of special meetings shall state the purposes of the meeting. Business transacted at a special meeting shall be confined to such purposes.

ARTICLE II

BOARD OF DIRECTORS

1. Election of Board. At the expiration of a one-year period, all administrative power and authority shall vest in the Board of three (3) directors elected from among the Apartment owners with each Apartment owner having cumulative voting rights, and with the three candidates receiving the most votes on the basis of voting power, according to the figures set forth on Exhibit B to the Declaration of Condominium ownership, being elected as Directors. The Board may delegate all or any portion of power to a manager, managing agent or officer of the Association, or in such manner as may be provided by the Bylaws. All Board positions shall be open for election at the first annual meeting after the period of Declarant's authority.

2. Vacancy. Any vacancy occurring in the Board of Directors shall be filled by a majority vote of the remaining members thereof elected at a special meeting of the Association called for that purpose.

3. Annual Meeting. An annual meeting of the Board of Directors shall be held immediately following the annual meeting of Apartment owners and at the same place. Special meetings of the Board of Directors shall be held upon call by the Chairman or by a majority of the Board of Directors on not less than 48 hours' notice in writing to each Director delivered personally. Any Director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action of the Board of Directors without a meeting.

4. Removal. Any Director may be removed from office by the vote of at least two-thirds of the votes of all Apartment owners.

5. Compensation. Directors shall receive no compensation for their services unless compensation is expressly provided for in resolutions duly adopted by the Apartment owners.

6. Powers and Duties. The Board of Directors shall have the following powers and duties.

(a) To elect the officers of the Association as hereinafter provided;

(b) To administer the affairs of the Association and the property;

(c) To engage, subject to the provisions of the Declaration, the services of a Manager who shall manage and operate the property and the common areas and facilities thereof for all of the Apartment owners, upon such terms and for such compensation and with such authority as the Board of Directors may approve;

(d) To formulate policies for the administration, management and operation of the property and the common areas and facilities thereof;

(e) To adopt administrative rules and regulations governing the administration, management, operation and use of the property and the common areas and facilities, and to amend such rules and regulations from time to time;

(f) To provide for the maintenance, repair and replacement of the common areas and facilities and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the Manager;

(g) To provide for the designation, hiring and removal of employees and other personnel, including accountants, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the property and the common areas and facilities, and to delegate any such powers to the Manager (and any such employees or other personnel who may be the employees of the Manager);

(h) To estimate the amount of the annual budget and to provide the manner of assessing and collecting from the Apartment owners their respective shares of such estimated expenses, as hereinafter provided;

(i) Unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Apartment owners, as expressed in a resolution duly adopted at any annual or special meeting of the Apartment owners;

(j) To appoint committees of members of the Association to overlook and assist in the day-to-day operation of the Condominium, without any executive powers, specifically in respect of items such as maintenance, security, beautification, public relations, and the welfare of residents;

(k) To exercise all other powers and duties of the Board of Directors or Association of Apartment owners as referred to in the Washington Horizontal Property Regimes Act, as amended.

7. Meetings. The Board of Directors shall act by majority vote at its meetings with a quorum of not less than two members, in all matters involving the Condominium, including the adoption and amendment of House Rules which govern the details of the operation of the Condominium and the use of the common areas and facilities. Meetings of the Board of Directors shall be called, held and conducted in accordance with these Bylaws and the House Rules, but at least four meetings shall be held each year, one of which shall be held immediately following the annual meeting of the Association and shall be an organization meeting at which officers for the year then next ensuing shall be elected.

8. Notice. Service of notice in any matter which is common to all Apartment owners upon any one member of the Board of Directors shall be deemed service upon all members of the Board of Directors and upon all Apartment owners for whom the Board of Directors is acting as the common agent. The Board of Directors shall also act as party plaintiff or party defendant in any class action or suit.

ARTICLE III

OFFICERS

1. Election. At each annual meeting, the Board of Directors shall elect the following officers of the Association.

(a) A Chairman, who shall be a Director and who shall preside over the meetings of the Board of Directors and of the Association, and who shall be the chief executive officer of the Association.

(b) A Vice Chairman, who shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman.

(c) A Secretary, who shall keep the minutes of all meetings of the Board of Directors and of the Association, who shall, in general perform all duties incident to the office of Secretary, and who may be a representative of the Manager;

(d) A Treasurer, who shall keep the financial records and books of account;

(e) Such additional officers as the Board of Directors shall see fit to elect.

2. Term. Each officer shall hold office for the term of one year and until his successor shall have been elected and qualified.

3. Vacancies. Vacancies in any office shall be filled by the Board of Directors at special meetings thereof. Any officer may be removed at any time by the Board of Directors at a special meeting

thereof.

4. Compensation. The officers shall receive no compensation for their services, unless compensation is expressly provided for in a resolution duly adopted by the Association.

ARTICLE IV

MANAGER

1. Appointment. To assist the Board of Directors in the discharge of its duties under the Declaration and these Bylaws, the Board of Directors may appoint and keep appointed and may remove from office, a Manager, who shall be in direct charge of the operation of the Condominium under the supervision of the Board of Directors.

2. Powers and Duties. In addition to such functions, duties and powers as may be authorized or assigned to said Manager by the Board of Directors, the Manager may in the discretion of the Board of Directors, be delegated the following powers and duties and be responsible for:

(a) Immediate supervision of the management and operation of the Condominium.

(b) Purchase, maintenance, repair and restoration of all equipment and of all common areas and facilities.

(c) Employment, supervision, designation and removal of all personnel necessary for the maintenance, repair and replacement of the common areas and facilities, such as a building manager, janitors, desk clerks, yardmen, housekeepers for common areas and facilities, carpenters, plumbers, masons and electricians.

(d) Keeping proper financial records and books of account under the supervision of the Treasurer and the books and records of the Association under the supervision of the Secretary.

(e) Making at regular intervals projections of receipts and expenses, and budgets for use by the Board of Directors.

(f) Preparing schedules of proposed assessments the aggregate dollar amount of which shall be sufficient to pay for the expenses of operation of the Condominium, including the establishment of reserves for nonrecurrent major repairs and capital improvements and recommending adoption by the Board of Directors of such schedules and the fixing of assessments against each Apartment in conformity therewith.

(g) Approving payment vouchers and custody, safekeeping and accounting of all funds, which shall be maintained in a separate bank account to be designated "The Gayle Condominium Association."

(h) Collecting from Apartment owners their respective assessments, and all real property taxes attributable to each Apartment.

(i) Procurement of all required insurance coverage and periodic review of existing coverage to determine the adequacy thereof.

3. Compensation. The Board of Directors shall determine the compensation to be paid the Manager and the perquisites to which he may be entitled. Provision for the appointment of the manager shall

not preclude or derogate from the power of the Board of Directors to operate the Condominium directly through employees and agents, to be appointed by the Board of Directors without the use of a Manager.

ARTICLE V

OPERATION OF THE PROPERTY

1. Assessments. All Apartment owners shall be obligated to pay assessments by the Board of Directors pursuant to the provisions of the Declaration at such time or times as the Board of Directors shall determine.

No Apartment owner shall be liable for the payment of assessments against his Apartment subsequent to a sale, transfer or other conveyance by him thereof provided such sale, transfer or conveyance be made in accordance with the provisions of these Bylaws. The purchaser of an Apartment shall be liable for the payment of assessments against such Apartment prior to the acquisition by him of such Apartment, except that a mortgagee or other purchaser of an Apartment at a foreclosure sale of such Apartment shall not be subject to, a lien for the payment of common charges assessed prior to the order confirming the foreclosure sale.

1. Foreclosure. In any foreclosure suit against an Apartment for non payment of assessments, the Apartment owner shall be required to pay during the pendency of such suit a reasonable rental for the Apartment, and the Board of Directors, or its designee, as plaintiff in such foreclosure shall be entitled to the appointment of a receiver to take possession of said Apartment and to collect the rents, issues and profits therefrom. The Board of Directors shall have the right to bid on the Apartment at the foreclosure sale and to acquire and hold, lease, mortgage, and convey the same, subject only to statutory rights of redemption. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

3. Statement of Common Charges. The Board of Directors shall promptly provide any Apartment owner who makes a request in writing with a written statement of his unpaid common charges.

4. Violation of Rule or Regulation. The violation of any rule or regulation adopted by the Board of Directors, or the breach of any Bylaws contained herein, or the breach of any provision of the Declaration shall give the Board of Directors the right, in addition to any other rights set forth in these Bylaws:

(a) To enter the Apartment in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Apartment owner, any structure, thing, or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; or

(b) To enjoin, abate, or remedy such thing or condition by appropriate legal proceedings. In the event of any such proceeding, the Board of Directors shall be entitled to recover its costs and attorneys' fees at trial and on appeal.

5. Maintenance and Repair. Maintenance and repair shall be accomplished as follows:

(a) All maintenance of and repairs to any Apartment, structural or nonstructural, ordinary or extraordinary, shall be made by the owner of such Apartment. Each Apartment owner shall be responsible for all damage to any other Apartment and

to the common areas and facilities resulting from his failure to effect such maintenance and repairs;

(b) All maintenance, repairs and replacements to the common areas and facilities (unless necessitated by the negligence, misuse, or neglect of the Apartment owner, in which case any such uninsured expense shall be charged to such Apartment owner) shall be made by the Board of Directors and be charged to all the Apartment owners as a common expense.

6. Alteration to Apartments. No Apartment owner shall make any structural addition, alteration, or improvement in or to his Apartment without prior written consent thereto of the Board of Directors. The provisions of this section shall not apply to Apartments owned by Declarant until such Apartment shall have been initially conveyed by the Declarant.

7. Obstructions. The Apartment owner shall not obstruct or otherwise impair, clutter or damage any of the common areas and facilities to which he has access or the right of access and use, to the deprivation of the rights of other Apartments, their owners, guests or tenants.

ARTICLE VI

MORTGAGES AND RENTALS

1. Record of Mortgages. An Apartment owner who mortgages his Apartment shall notify the Board of Directors of the name and address of his mortgagee and shall file a conformed copy of the note and address mortgage with the Board of Directors. The Board of Directors shall maintain such information in a book entitled "Mortgages of Apartments."

2. Report of Unpaid Charges. The Board of Directors, whenever so requested in writing by a mortgagee of an Apartment, shall promptly report any then unpaid common charges or other default by the owner of the mortgaged Apartment.

3. Notice of Default. The Board of Directors, when giving notice to an Apartment owner of a default in paying common charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Apartment whose name and address has theretofore been furnished to the Board of Directors.

4. Examination of Records. Each Apartment owner and each mortgagee of an Apartment shall be permitted to examine the books of account of the Association at all reasonable times on business days, but not more often than once each month.

5. Notice of Sale, Rental or Lease. Immediately upon the sale, rental, or lease of any Apartment, the Apartment owner shall promptly inform the Manager of the name and address of said vendee, sublessee, or tenant. It is understood that this provision is for the security, convenience and peaceful enjoyment of the Condominium by all Apartment owners and the residents of Apartments, in order that the Board of Directors may as necessary exercise the authority conferred upon it in the next succeeding section in the interest of Apartment owners and residents.

6. Abatement of Conduct. The Board of Directors shall at all times have the power to give notice to any Apartment owner in respect to conduct by any resident of said Apartment owner's Apartment prejudicial to the security, peace, welfare, comfort, and good order of the other residents of the Condominium, the operation of the Condominium and value of the property. If such conduct is not promptly abated, the Board of Directors shall give notice to the

Apartment owner for the abatement of such action, and if such action is not promptly abated after receipt of such notice by the Apartment owner, the Board of Directors shall have the right to request vacation of the apartment by the resident and to enforce its action by recourse to a court of law. In the event that such action is given by the Board of Directors, and is not abated promptly upon notice by a court of law to have such conduct abated. Upon the Board of Directors obtaining favorable judgment, the Apartment owner concerned shall, in each case, pay the Association reasonable costs and attorneys' fees at trial or upon appeal.

ARTICLE VII

RECORDS AND REPORTS

1. Records. The Board of Directors or the Manager shall keep detailed records of the action of the Board of Directors and the Manager, minutes of the meetings of the Board of Directors, minutes of the meetings of the Association, financial records and books of account of the Association, including a chronological listing of receipts and expenditures.
2. Annual Report. An annual report of receipts and expenditures of the Association, certified by an independent certified public accountant, shall be rendered by the Board of Directors to all Apartment owners and to all mortgagees of Apartments who have requested the same, promptly at the end of each fiscal year. The cost and expense of such audit shall be a common expense.

ARTICLE VIII

MISCELLANEOUS

1. Notice. All notices to Apartment owners shall be sent by regular mail to their Apartments or such other addresses as may have been designated by Apartment owners from time to time. All notices to mortgagees of Apartments shall be sent by regular mail to their respective addresses, as designated by them from time to time. 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.
2. Invalidity. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws.
3. Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws or the intent of any provision thereof.
4. Gender and Number. The use of the masculine gender in these Bylaws shall be deemed to include the feminine and the neuter, whenever the context so requires.
5. 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.
6. Conflicts. In case any of these Bylaws conflict with the provisions of the statutes of the State of Washington or of the Declaration, the provisions of such statute or of the Declaration, as the case may be, shall control.

ARTICLE IX
AMENDMENTS

1. Adoption. Except as hereinbefore provided otherwise, these Bylaws may be modified or amended by the vote of 51 percent of the total voting power; provided, however, that the Bylaws may not be amended without the consent in writing of the Declarant so long as the Declarant shall be the owner of one or more Apartments. The amendment shall become effective after the approving vote is certified by the Chairman and Secretary of the Association.

2. How Proposed. Amendments to the Bylaws shall be proposed either by a majority of the Board or by holders of 30 percent of the total voting power. The proposed amendment must be in writing and must be accompanied by the consent of all holders of legal counsel as to mortgages on the Apartments and by the opinion of legal counsel as to whether the amendment is permitted under the Declaration. A copy of the proposed amendment shall be included in the notice of any meeting at which action is to be taken thereon.

ARTICLE X

FISCAL YEAR

The fiscal year shall begin on the first day of January in each year, or as the Board of Directors shall otherwise establish.

PAUL W. CHEMNICK

PATRICIA CHEMNICK

EUGENE M. MOEN

MARGARET MOEN

ARTHUR PASETTE

SALLY PASETTE