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PIERCE COUNTY, WASHINGTON

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**HILLIS CLARK MARTIN & PETERSON P.S.**  
Attn: Steven R. Rovig  
1221 Second Ave., Suite 500  
Seattle, WA 98101

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**AMENDED AND RESTATED BYLAWS FOR  
NORTHWEST LANDING COMMERCIAL OWNERS ASSOCIATION**

<b>Grantor:</b>	<u>THE QUADRANT CORPORATION</u>
<b>Grantee:</b>	<u>NORTHWEST LANDING COMMERCIAL OWNERS ASSOCIATION</u>
<b>Legal Description (abbreviated):</b>	<u>Portions of Township 19 North, Range 1 East, Pierce County Washington</u>
<b>Assessor's Tax Parcel ID #:</b>	<u>N/A</u>
<b>Reference Nos. of Documents:</b>	<u>9208240297</u>

**THIS AMENDED AND RESTATED BYLAWS FOR NORTHWEST LANDING COMMERCIAL OWNERS ASSOCIATION** (the "Amendment") is dated for reference purposes October 5, 2010 and is made by **THE QUADRANT CORPORATION**, a Washington corporation ("Declarant").

**BACKGROUND**

A. Declarant is the Declarant of the the Declaration of Covenants, Conditions and Restrictions for Northwest Landing Commercial Property dated August 20, 1992, and recorded under Pierce County Recording No. 9208240297, together with all amendments thereto (collectively, the "Declaration").

B. Northwest Landing Commercial Owners Association (the "Commercial Association") is the association of owners for the commercial property subject to the Declaration. The Commercial Association is governed by the By-Laws dated August 20, 1992, and recorded as Exhibit D of the Declaration, (the "By-Laws").

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C. So long as Declarant still owns property described in Exhibits A or B of the Declaration, Section 6.6(a) of the By-Laws allows Declarant to amend the By-Laws for any purpose, provided that the amendment has no material adverse effect upon any substantive right of any Owner and does not adversely affect the title to any Unit.

D. In order to facilitate the administration and management of the Commercial Association, and for purposes of efficiency, Declarant, after consultation with the Class A Members of the Commercial Association, desires to amend the By-Laws to change (1) the size and manner of election of the Board; (2) the quorum requirement for meetings of the Commercial Association; and (3) the requirement that District Committees be established.

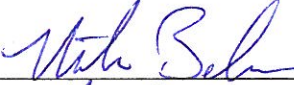
E. For an amendment to be effective, such amendment must be recorded in the public records of Pierce County, Washington.

### AMENDMENT

Pursuant to and in conformance with Section 6.6(a) of the By-Laws, Declarant hereby amends and restates the By-Laws as set forth in the attached Exhibit A.

EXECUTED by the undersigned Declarant.

THE QUADRANT CORPORATION,  
a Washington corporation

By:   
Name: MIKE BEHM  
Title: SENIOR DEVELOPMENT MANAGER

STATE OF WASHINGTON

COUNTY OF KING

} SS.

On this day personally appeared before me MIKE BETH, to me known to be the SR. DEVELOPMENT MGR of THE QUADRANT CORPORATION, the corporation that executed the foregoing instrument, and acknowledged such instrument to be the free and voluntary act and deed of such corporation, for the uses and purposes therein mentioned, and on oath stated that he/she was duly authorized to execute such instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 5th day of OCTOBER, 2010.



Gail M. Acheson  
Printed Name GAIL M. ACHESON  
NOTARY PUBLIC in and for the State of Washington,  
residing at KIRKLAND  
My Commission Expires 9/15/11

**EXHIBIT A**  
**Amended and Restated By-Laws**

**BY-LAWS  
OF  
NORTHWEST LANDING COMMERCIAL OWNERS ASSOCIATION**

**BY-LAWS**  
**OF**  
**NORTHWEST LANDING COMMERCIAL OWNERS ASSOCIATION**

**ARTICLE I: NAME, PRINCIPAL OFFICE, AND DEFINITIONS.**

1.1. **Name.** The name of the Association shall be Northwest Landing Commercial Owners Association (hereinafter the "Commercial Association").

1.2. **Principal Office.** The principal office of the Commercial Association shall be in the State of Washington. The Commercial Association may have such other offices as the Board may determine or as the affairs of the Commercial Association may require.

1.3. **Definitions.** Capitalized terms used in these By-Laws shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for Northwest Landing Commercial Property (said Declaration, as amended is hereinafter called the "Declaration"), unless the context shall otherwise require.

**ARTICLE II: ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING, PROXIES.**

2.1. **Membership.** The Commercial Association shall have two classes of membership, Class "A" and Class "B", as set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

2.2. **Place of Meetings.** Meetings of the Commercial Association shall be held at the principal office of the Commercial Association or at such other suitable place convenient to the Members as designated by the Board.

2.3. **Annual Meetings.** The first meeting of the Commercial Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Commercial Association. Subsequent regular annual meetings shall be held at least 90 but not more than 120 days after the close of the Commercial Association's fiscal year on a date and at a time set by the Board.

2.4. **Special Meetings.** The President may call special meetings and shall call a special meeting if so directed by Board resolution or upon a petition signed by Members holding at least ten percent of the total Class "A" votes of the Commercial Association.

2.5. **Notice of Meetings.** Written notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally (including public courier service), by telecopier or by mail, to each Member entitled to vote at such meeting, not less than ten nor more than 50 days before the date of such meeting, by or at the direction of the director, officer or other person calling the meeting.

In the case of a special meeting or when required by law or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed delivered when deposited with the U.S. Postal Service addressed to the Member at the address of the Member as it appears on the records of the Commercial Association, with postage thereon prepaid.

2.6. **Waiver of Notice.** Waiver of meeting notice shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at any meeting by a Member in person or by proxy shall be deemed waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. **Adjournment of Meetings.** If any meeting of the Commercial Association cannot be held because a quorum is not present, a majority of the Members present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

2.8. **Voting.** The voting rights of the Members are set forth in the Articles and Declaration, and such voting rights provisions are specifically incorporated herein. Voting for the election of directors by the Members may be by ballots mailed to the Members. Ballots shall be returned to the Secretary by the date specified on the ballot. The Board shall determine the method of voting, the form of all ballots, the wording of questions thereon and the deadline for return of ballots. The Board may include on ballots any questions on which it seeks an advisory vote. Any other matters may be voted on by mail-in ballot to the extent allowed by law.

2.9. **Proxies.** At all meetings of the Members, Members may vote in person or by proxy. Each proxy shall be in writing, dated, signed and filed with the Secretary prior to the meeting for which it is to be effective. Proxies may be delivered to the Secretary by personal delivery, U.S. mail or telecopy to any Board member or the property manager. Unless otherwise provided in the proxy, a proxy shall cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. No proxy shall be valid more than 11 months after its execution unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member's Unit.

2.10. **Majority.** As used in these By-Laws, the term "majority" shall mean those votes, owners, or other group as the context may indicate totaling more than 50% of the total number.

2.11. **Quorum.** Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of the Members representing twenty-five percent (25%) of the total vote of the Commercial Association shall constitute a quorum at all meetings of the Commercial Association. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of Members leaving less than a quorum.



2.12. **Conduct of Meetings.** The President shall preside over all meetings of the Commercial Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

2.13. **Telephonic Participation.** One or more Members may participate in and vote during any regular or special meeting of the Members by telephone conference call or similar communication equipment by means of which all Persons participating in the meeting can hear each other at the same time, and those Members so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Members.

### **ARTICLE III: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS.**

#### **A. Composition and Selection.**

3.1. **Governing Body; Composition.** The affairs of the Commercial Association shall be governed by a Board of Directors. Directors need not be Members of the Commercial Association.

3.2. **Directors During Class "B" Control Period.** Subject to the provisions of Section 3.5, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until the first to occur of the following:

- (a) when 2,800 acres have been submitted to the terms and provisions of the Declaration and have been conveyed to Persons other than Declarant or affiliates of Declarant;
- (b) December 31, 2041; or
- (c) when, in its discretion, the Class "B" Member so determines.

3.3. **Number of Directors.** The number of directors in the Commercial Association shall be not less than three nor more than nine, as provided in Section 3.5 or as set by Board resolution. The initial Board shall consist of three members as identified in the Articles.

3.4. **Nomination of Directors.** Except with respect to directors selected by the Class "B" Member, nominations for election to the Board may be made by a Nominating Committee. The Nominating Committee, if established, shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Commercial Association, who shall be appointed by the Board not less than 30 days after the election of directors by the Members to serve a term of one year or until their successors are appointed. Such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor if elections are held at a meeting. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.5. **Election and Term of Office.** Notwithstanding any other provision contained herein:



(a) Within 30 days after Class "A" Members own 500 acres subject to the Declaration or whenever the Class "B" Member earlier determines, the Commercial Association shall hold an election at which Class "A" Members shall elect one of the three directors, who shall be an at-large director and shall serve a term of two years or until the happening of the event described in Section 3.5(b), whichever is shorter. If such director's term expires prior to the happening of the event described in Section 3.5(b), a successor shall be elected for a like term. The remaining two directors shall be appointees of the Class "B" Member.

(b) Within 30 days after termination of the Class "B" Control Period, the Commercial Association shall hold an election, in person or by mail, at which Class "A" Members shall elect three directors, who shall serve as at-large directors and shall serve until the first annual meeting following the termination of the Class "B" Control Period. If such annual meeting occurs within 30 days after termination of the Class "B" Control Period directors shall be elected in accordance with Section 3.5(c) below.

(c) At the first annual meeting of the membership after the termination of the Class "B" Control Period or in an election by mail held prior to such meeting, three directors shall be elected by Class "A" Members. At least ~~one-third~~ one-half of directors shall be elected for a term of two years and the remaining directors shall be elected for a term of one year as such directors determine among themselves. At the expiration of the term of office of each member of the Board, a successor shall be elected to serve for a term of two years.

(d) The Board shall consist of an odd number of directors of not less than ~~one-three~~ nor more than nine directors, the specific number to be set by resolution of the Board, if different than the number set forth in Sections 3.5(a) through (c) above, provided that no decrease in the number shall have the effect of shortening the term of any incumbent director.

(e) Each Member shall be entitled to cast, with respect to each vacancy to be filled from each slate on which such Member is entitled to vote, the total number of votes to which such Member is entitled under the Declaration. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Members shall hold office until their respective successors have been elected by the Commercial Association and take office or their sooner death, resignation or removal from office. Directors may be elected to serve any number of consecutive terms.

**3.6. Removal of Directors and Vacancies.** Any director elected by the Class "A" Members may be removed, with or without cause, by the vote of Class "A" Members holding 67% of the votes entitled to be cast for the election of such director, but shall not be subject to removal by the Class "B" member acting alone. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three consecutive unexcused absences from Board meetings or who (including the corporation or other entity qualifying the director for membership on the Board) is delinquent in the payment of any assessment or other charge due the Commercial Association for more than 30 days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of an elected director, a vacancy may be

declared by the Board, and it may appoint a successor who shall serve for the remainder of the term of such director.

## **B. Meetings.**

3.7. **Organizational Meetings.** The Board shall hold its first meeting within ten days after each annual membership meeting.

3.8. **Regular Meetings.** Regular Board meetings may be held at such time and place as determined from time to time by Board resolution, but at least one such meeting shall be held during each quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Notice of the regular schedule shall constitute notice of such meetings.

3.9. **Special Meetings.** Special meetings of the Board shall be held when called by written notice signed by the President of the Commercial Association or by a majority of the directors. The notice shall specify the time and place of the meeting and the nature of any business to be considered. Notice shall be given to each director by one of the following methods: (a) personal delivery, including, commercial courier services; (b) first class mail, postage prepaid; or (c) telephone communication, including telecopy, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Commercial Association. Notices sent by first class mail shall be deposited into a U.S. Postal Service mailbox at least four days before the time set for the meeting. Notices given by personal delivery or telephone shall be delivered or telephoned at least 72 hours before the time set for the meeting.

3.10. **Waiver of Notice.** The transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting prior to its commencement about the lack of adequate notice.

3.11. **Quorum of Board of Directors.** At all Board meetings, a majority of the directors shall constitute a quorum for the transaction of business, and the vote of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any Board meeting cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12. **Compensation.** No director shall receive any compensation from the Commercial Association for acting as such; provided, this Section 3.12 shall not prevent any

director from being reimbursed for expenses authorized by the Board to be incurred on behalf of the Commercial Association. Nothing herein shall prohibit the Commercial Association from compensating a director, or any entity affiliated with a director, for services or supplies furnished to the Commercial Association in a capacity other than as a director pursuant to a contract or agreement with the Commercial Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested director.

3.13. **Conduct of Meetings.** The President shall preside over all Board meetings, and the Secretary shall keep a minute book of Board meetings, recording therein all Board resolutions and all transactions and proceedings occurring at such meetings.

3.14. **Open Meetings.** All Board meetings shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission for the Member to speak is requested by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any Board meeting and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.15. **Action Without a Formal Meeting.** Any action to be taken or that may be taken at a Board meeting may be taken without a meeting if a written consent, setting forth the action so taken, is signed by all directors, and such consent shall have the same force and effect as a unanimous vote.

3.16. **Telephonic Participation.** One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call or similar communication equipment by means of which all Persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

### C. **Powers and Duties.**

3.17. **Powers.** The Board shall be responsible for the affairs of the Commercial Association and shall have all of the powers and duties necessary for the administration of the Commercial Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Members.

In addition to the duties otherwise imposed, the Board shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparation and adoption, in accordance with applicable provisions of the Declaration, of budgets in which the contribution of each Owner to the expenses of the Commercial Association shall be established;

(b) making assessments to defray the expenses of the Commercial Association, establishing the means and methods of collecting such assessments, and establishing the period of any installment payments of assessments;

- (c) providing for the operation, care, upkeep, and maintenance of property as provided in the Declaration;
- (d) designating, hiring, and dismissing the personnel necessary for the operations of the Commercial Association, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in performing their duties;
- (e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to operate the Commercial Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;
- (f) making and amending rules;
- (g) opening of bank accounts on behalf of the Commercial Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, improvements or alterations as provided in the Declaration and these By-Laws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules of the Commercial Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Commercial Association;
- (j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Commercial Association or its Members and not chargeable directly to specific Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Commercial Association and its administration, specifying the maintenance, repair, and other expenses incurred;
- (m) cooperating with the Northwest Landing Residential Owners Association in carrying out its purposes and responsibilities under the Residential Declaration; and
- (n) performing the duties imposed upon the Commercial Association by the Covenant to Share Costs.

3.18. **Management.** The Board may employ for the Commercial Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize.

3.19. **Accounts and Reports.** The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Commercial Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Commercial Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Commercial Association;
- (e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Commercial Association shall be disclosed promptly to the Board; and
- (f) annual financial statements, prepared in accordance with generally accepted accounting principles, shall, not less than 120 days after the close of each fiscal year and prior to the annual meeting, be distributed to all Members. The Board may, but is not required to, have the financial statement of the Commercial Association audited by an independent certified public accountant; provided, however, the Members, by resolution adopted at the annual meeting, may require that the financial statements be so audited as a Common Expense of the Commercial Association.

3.20. **Borrowing.** The Commercial Association, acting through the Board, shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Members. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Member approval in the same manner provided in the Declaration for Special Assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities or the total amount of borrowing exceeds or would exceed ten percent of the budgeted gross expenses of the Commercial Association for that fiscal year.

3.21. **Rights of the Commercial Association.** In accordance with the Articles and the Declaration, the Commercial Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Commercial Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or other owners or residents associations, both within and without the Commercial Properties.

The Commercial Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the Class "B" Control Period unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than 90 days notice to the other party.

3.22. **Enforcement.** The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote for violation of any duty imposed under the Declaration, these By-Laws, or any duly adopted rules; provided, however, nothing herein shall authorize the Commercial Association to limit ingress and egress to or from a Unit. In the event that any occupant of a Unit violates the Declaration, By-Laws, or a rule and a fine is imposed, the fine shall first be



assessed against the occupant with notice to the Owner; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Commercial Association. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) **Notice.** Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board for a hearing; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

(b) **Hearing.** If a hearing is requested within the allotted ten day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed. The Board or the Covenants Committee may, but shall not be obligated to, waive any proposed sanction if the violation is cured within the ten day period. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

(c) **Appeal.** Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the President or Secretary of the Commercial Association within 30 days after the hearing date before the Covenants Committee.

(d) **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Commercial Association, acting through the Board, may elect to enforce any provision of the Declaration, these By-Laws, or the rules of the Commercial Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs thereof, including reasonable attorney's fees actually incurred.

#### **ARTICLE IV: OFFICERS.**

4.1. **Officers.** The officers of the Commercial Association shall be a President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Vice Presidents, Assistant Secretaries, or Assistant Treasurers, as it shall deem desirable. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. **Election, Term of Office, and Vacancies.** The officers of the Commercial Association shall be elected annually by the Board at the first Board meeting following each

annual meeting of the Members. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.3. **Removal.** Any officer may be removed by the Board with or without cause.

4.4. **Powers and Duties.** The officers of the Commercial Association shall have such powers and duties as generally pertain to their respective offices under applicable law, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board.

4.5. **President.** The President shall be the chief executive officer of the Commercial Association and shall preside at all meetings of the Commercial Association and of the Board.

4.6. **Vice President.** The Vice President, if any, shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

4.7. **Secretary.** The Secretary shall keep the minutes of all meetings of the Commercial Association and of the Board and shall have charge of such books and papers as the Board may direct and shall, in general, perform all duties incident to the office of the secretary of a corporation organized in accordance with Washington law.

4.8. **Treasurer.** The Treasurer shall have the responsibility for the Commercial Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Commercial Association or the managing agent in such depositories as may from time to time be designated by the Board.

4.9. **Resignation.** Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

#### **ARTICLE V: COMMITTEES.**

5.1. **General.** Committees are hereby authorized to perform such tasks as may be delegated to a committee under Washington law and to serve for such periods as may be designated by Board resolution. Each committee shall operate under the terms of the Board resolution designating the committee and the rules adopted by the Board governing such committee.

5.2. **Covenants Committee.** In addition to any other committees which may be established by the Board, the Board may appoint a Covenants Committee consisting of at least three and no more than seven members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Commercial Association and shall conduct all hearings held pursuant to Section 3.22.

5.3. **District Committees.** In addition to any other committees which may be established by the Board, there may be a District Committee for each District which has no formal organizational structure or association. Each District Committee shall consist of three



members; provided, however, by a majority vote of the Owners within the District this number may be increased to five.

If District Committees are established, the nominees for each District Committee shall be elected annually by the vote of Owners of Units within that District. Election of a District Committee may be held by mail-in ballot sent out by the Board for the initial election and after the initial election by the District Committee. Each Owner shall have the number of votes assigned to such Owner's Unit(s) in the Declaration. Committee members nominated in such fashion shall be appointed by the Board for a term of one year and until their successors are elected.

~~It shall be the~~ The District Committee's responsibility to determine the nature and extent of services, if any, may propose for consideration by the Commercial Association (a) which, if any, of the services to be provided to the District by the Commercial Association in addition to those which the Commercial Association is obligated to provide pursuant to the Declaration or any applicable Supplemental Declaration should be District Expenses; and (b) on any additional services for the District, and whether the cost of such services should be treated as District Expenses or Common Expenses; provided, however, such ~~special services requested by the District proposals~~ shall have the approval of Owners holding at least a majority of the total votes in the District. A District Committee may advise the Board on any other issue, but shall not have the authority to bind the Board.

The Owners of Units holding at least a majority of the total votes of Units in the District shall constitute a quorum at any District meeting. In the conduct of its duties and responsibilities, each District Committee shall abide by the procedures and requirements applicable to the Board set forth in Sections 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15, and 3.16; provided, however, the term "Member" shall refer to the Owners of Units within the District. Each District Committee shall elect a chairperson from among its members who shall preside at its meetings and who shall be responsible for transmitting any and all communications to the Board.

5.4. **Management Committee.** The Board may establish a committee consisting of one or more of its members with the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between Board meetings.

## **ARTICLE VI: MISCELLANEOUS.**

6.1. **Fiscal Year.** The fiscal year of the Commercial Association shall be the calendar year unless otherwise established by Board resolution.

6.2. **Parliamentary Rules.** Except as may be modified by Board resolution, *Robert's Rules of Order* (current edition) shall govern the conduct of Commercial Association proceedings when not in conflict with Washington law, the Articles, the Declaration, or these By-Laws.

6.3. **Conflicts.** If there are conflicts between the provisions of Washington law, the Articles, the Declaration, and these By-Laws, the provisions of Washington law, the Declaration, the Articles, and the By-Laws (in that order) shall prevail.

6.4. **Books and Records.**

(a) **Inspection by Members and Mortgagees.** The Declaration, By-Laws, and Articles, any amendments to the foregoing, the rules of the Commercial Association, the membership register, books of account, and the minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, Member of the Commercial Association, or by the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to an interest in the Unit at the office of the Commercial Association or at such other place within the Commercial Properties as the Board shall prescribe.

(b) **Rules for Inspection.** The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) **Inspection by Directors.** Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Commercial Association and the physical properties owned or controlled by the Commercial Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Commercial Association in furtherance of such director's duties as a director.

6.5. **Notices.** Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if deposited with the U.S. Postal Service, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Commercial Association, the Board, or the managing agent, at the principal office of the Commercial Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

#### 6.6. **Amendment.**

(a) So long as Declarant has the right to appoint a majority of the Board, the Board may unilaterally amend these By-Laws for any purpose. So long as it still owns property described in Exhibits "A" or "B" of the Declaration for development as part of the Commercial Properties, Declarant may (a) veto any amendment proposed by the Board; and (b) unilaterally amend these By-Laws for any purpose, provided the amendment has no material adverse effect upon any substantive right of any Owner and does not adversely affect the title to any Unit.

(b) Except as otherwise specifically provided herein, these By-Laws may be amended only upon resolution duly adopted by the Board and approved by the affirmative vote of Members holding a majority of the total Class "A" votes in the Commercial Association, and the consent of the Class "B" Member, so long as such membership exists. Notwithstanding the

above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Any amendment to these By-Laws to be effective must be recorded in the public records of Pierce County, Washington.

ADOPTED by the undersigned Declarant.

THE QUADRANT CORPORATION,  
a Washington corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_