

BYLAWS

OF

PEBBLE CREEK CONDOMINIUM ASSOCIATION

(A nonprofit corporation incorporated under the

Washington Nonprofit Corporation Act, RCW 24.03)

ARTICLE I

MEMBERS

Section 1.1 Class of Members. The corporation shall have one class of members. The qualifications for members are set forth in Section 1.2 of these Bylaws.

Section 1.2 Members. To qualify as a member, a person shall be a Unit Owner of record, and all Unit Owners shall be members.

Section 1.3 Voting Rights. Members have such voting rights as are set forth in the Declaration of Covenants, Conditions, Restrictions and Reservations for the Pebble Creek Condominium, as recorded in Clark County, Washington and as from time to time amended (the "Declaration"). The Board shall have sole voting power with respect to all other matters relating to the corporation, including without limitation any alteration, amendment or repeal of the Bylaws or the adoption of new Bylaws; any amendment of the Articles of Incorporation; any merger or consolidation involving the corporation; any sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation; the adoption of any plan providing for the distribution of assets; or any dissolution of the corporation. However, the Board in its discretion may submit to members at any annual or special meeting thereof any proposal for a nonbinding, advisory vote by such members. The vote of any member at any meeting of members may be exercised either in person by an authorized agent thereof, or by written proxy. Under the Declaration each Unit is assigned one vote, and therefore each Unit Owner, whether consisting of one member or two or more members collectively, shall have one vote on each matter coming before any meeting of such members.

Section 1.4 Annual Meeting. A meeting of the members of the corporation shall be held each year beginning in 1999 on the third Thursday in January at 7:00 p.m. at such place as the Board shall determine, or at such other time as may be designated by the Board. The purposes of the annual meeting shall be to review the activities of the corporation during its prior fiscal year, to discuss plans and proposals for the corporation for its current fiscal year, and to transact such other business as may properly come before the meeting. The annual meeting of the members may be held by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

Section 1.8 List of Members. At least ten (10) days before a meeting of members, the Secretary of the corporation shall compile a complete list of the names and addresses of the members entitled to vote at such meeting or any adjournment thereof. Such list shall be open for examination by any member during usual business hours at the principal or registered office of the corporation or the office of the Secretary of the corporation for a period of at least ten (10) days prior to any such meeting. Such list shall also be produced and kept open for examination at the time and place and during the course of any such meeting.

Section 1.7 Waiver of Notice. Except where expressly prohibited by law or the Articles of Incorporation, notice of the day, place, hour and purpose of any meeting of the members may be waived in writing by any member at any time, either before or after the meeting, and attendance at the meeting in person or by proxy shall constitute a waiver of such notice of the meeting unless prior to or upon commencement of such meeting such member in attendance asserts that proper notice was not given.

Section 1.6 Notice of Meetings. Written notice of the place, day and hour of the annual membership meeting and written notice of the day, place, hour of special membership meetings and of the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the declaration of the Pebble Creek Condominium or these bylaws, changes in the previously approved budget that result in any change in assessment obligations, and any proposal to remove a director or officer, shall be hand delivered or sent by prepaid first class United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit owner not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at its address as it appears on the records of the corporation, with first class postage thereon prepaid.

Section 1.5 Special Meetings. Special meetings of the members for any purpose or purposes permitted hereunder or by law may be called at any time by the President of the corporation or a majority of the members of the Board of Directors and shall be held at such time and place as the President or the Board of Directors may prescribe. Upon the request of the members holding in the aggregate twenty percent (20%) of the voting power of all members, it shall be the duty of the Secretary to call a special meeting of the members for any purpose or purposes permitted hereunder or by law, such meeting to be held at such place and at such time as the Secretary may fix, not less than ten (10) nor more than sixty (60) days after the receipt of said request, and if said Secretary shall neglect or refuse to issue such call, those making the request may do so. Special meetings of the members may be held by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time. Subject to any applicable notice requirements, there shall be no minimum length of time between meetings.

Section 2.4 Election of Directors. Not later than sixty (60) days after conveyance of twenty-five percent (25%) of all of the units in the Pebble Creek Condominium which may be created to unit owners other than the declarant, at least one member and not less than twenty-five percent (25%) of the members of the Board of Directors shall be elected by unit owners

Section 2.3 Term of Office. Each Director shall hold office for two (2) years, except the term of last named Director in the Articles of Incorporation shall be for one (1) year so as to cause such terms to be staggered. The members of the first Board of Directors shall hold office until the initial election of Directors by members and until their respective successors shall be elected and qualified, subject to provisions herein relating to vacancy and removal.

Section 2.2 Qualifications. Each Director must be a natural person. A majority of the Directors must be owners of units in the Pebble Creek Condominium.

Section 2.1 Number. The affairs and property of the corporation shall be managed under the direction of a Board of Directors. The Board shall consist of three (3) persons. The Board of Directors, by amendment to these Bylaws, may increase or decrease the number of Directors to not less than three (3), provided that no decrease in number shall have the effect of shortening the term of any incumbent Director. The Board shall exercise all authority and duties and have all powers given by the Declaration and the Washington Condominium Act.

## BOARD OF DIRECTORS

### ARTICLE 2

Section 1.11 Proxies. A proxy must be executed in writing by a member or its duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Revocation of a proxy shall not be effective until written notice thereof has actually been received by the person presiding over a meeting of the corporation, or, in the absence of a meeting, the Secretary. No proxy shall be effective if it is not dated or purports to be revocable without notice.

Section 1.10 Adjourned Meetings. Whether for failure to obtain a quorum or otherwise, an adjournment or adjournments of any meeting of members may be taken to such time and place as the majority of those present (in person and by proxy) may determine without any other notice than announcement at the adjourned meeting being given.

Section 1.9 Quorum. At any meeting of members, the presence in person or by proxy of twenty-five percent (25%) of all the members shall constitute a quorum for the transaction of business. The vote of a majority of the members present in person or by proxy at a meeting at which there is a quorum shall be the act of the corporation, except as otherwise provided herein, by law or by the Articles of Incorporation. The members present at a duly convened meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 2.8 Annual Meeting. The first meeting of the Board of Directors following the annual election of Directors by members shall be known as the Annual Board Meeting.

Section 2.7 Approval of Public Positions; Loans. Any proposal (i) that the corporation take a public position on any issue of importance to the members, or (ii) that the corporation borrow money or become a maker on a promissory note or other evidence of indebtedness for borrowed money, shall be approved only if it receives the affirmative vote of at least two-thirds of the Directors then in office at a meeting of the Board.

Section 2.6 Quorum and Voting. At any meeting of the Board of Directors, the presence in person of a majority of the Directors shall constitute a quorum for the transaction of business. If a quorum is present, the act of a majority of the Directors present at such meeting shall be the act of the Board of Directors and of this corporation except as may be otherwise specifically provided by statute, the Articles of Incorporation or these Bylaws. The Directors present at a duly convened meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum. Abstention from voting on a motion by a Director present at a meeting at which there is a quorum shall be counted as a vote against the motion.

Section 2.5 Vacancies; Removal. Except as otherwise provided by law, vacancies in the Board of Directors, whether caused by resignation, removal or otherwise, may be filled by a majority of the remaining Directors, even though less than a quorum, at any meeting of the Board. A Director thus elected to fill any vacancy shall hold office for the unexpired term of his predecessor and until his successor is duly elected and qualified. Any member or members of the Board of Directors may be removed, with or without cause, by (i) the vote of two-thirds of the Directors then in office at a meeting of the Board of Directors; or (ii) the vote of two-thirds of all members at any meeting at which a quorum is present.

Not later than sixty (60) days after conveyance of fifty percent (50%) of the units which may be created in the Pebble Creek Condominium to unit owners other than the declarant, not less than one-third of the members of the Board of Directors shall be elected by unit owners other than the declarant. Voting for the annual election of Directors by the members shall be accomplished by ballots delivered or mailed to the secretary of the corporation. Except as provided above, each member may cast his or her vote for each position that will become open on the Board of Directors. There shall not be cumulative voting in the election of Directors, and no member may cast more than his or her vote for any nominee. Once the Nominating Committee has given notice of the nominees for Board positions pursuant to Section 3.5, the Secretary shall cause to be mailed to all members ballots listing the nominees for election as Directors. The ballots shall have a return deadline of forty-five (45) days from the date of mailing. A quorum for this purpose shall consist of voting by fifty percent (50%) of the members. If insufficient ballots to achieve a quorum are received by the deadline, the officers shall solicit the return of additional ballots. At the deadline, or such later time as a quorum is achieved, the results shall be determined and set forth in a certificate by the Secretary sent to the President and the nominees elected shall be notified.

Section 2.15 Compensation. Directors shall receive no compensation for their services as Directors, except that Directors may be reimbursed for actual expenses incurred because of their position if such reimbursement is authorized by the Board of Directors.

Section 2.14 Action by the Board Without a Meeting. The Board of Directors may take any action which it could properly take at a meeting without such a meeting if a consent in writing setting forth the action so taken shall be signed by all the Directors. Such consent shall have the same effect as a unanimous vote.

Section 2.13 Waiver of Notice. Notice of any meeting of the Board of Directors may be waived in writing by any Director at any time, either before or after such meeting, and attendance at such meeting in person shall constitute a waiver of notice of the place, day and hour of such meeting, except where a Director attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully convened.

Section 2.12 Notice of Meetings. No notice of any regular meeting need be given, if the place, day and hour thereof shall have been fixed by resolution of the Board of Directors and a copy of such resolution mailed to every Director at least three (3) days before the first meeting held pursuant thereto. Notice of the place, day and hour of all other meetings of the Board of Directors shall be given by the Secretary, or by the person calling the meeting, by mail, personal delivery, telecopy, or by personal communication over the telephone or otherwise, at least 72 hours prior to the time the meeting is to be held.

Section 2.11 Telephone Meetings. The Annual Board Meeting and any regular or special meetings of the Board of Directors may be held by means of conference telephone or other similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

Section 2.10 Special Meetings. Special meetings of the Board of Directors may be held at any place at any time whenever called by the President or a majority of the Directors. Subject to any applicable notice requirements, there shall be no minimum length of time between meetings.

Section 2.9 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place, day and hour as the Board from time to time may specify by resolution. Subject to any applicable notice requirements, there shall be no minimum length of time between meetings.

After notice is given by the Secretary pursuant to Section 2.4 of the results of the election of Directors by the members, the President shall call the Annual Board Meeting, and the Secretary shall give notice to all Directors of the place, day and hour thereof.

### ARTICLE 3

#### COMMITTEES

Section 3.1 Establishment and Authority of the Executive Committee. The corporation may have an Executive Committee as provided in this Article 3. The Executive Committee shall have and be entitled to exercise all of the authority of the Board of Directors, except that the Executive Committee shall not have the authority to: (i) determine that the corporation shall take a public position on any issue of importance to the members; (ii) approve any proposal that the corporation borrow money or become a maker on a promissory note or other evidence of indebtedness for borrowed money; (iii) amend, alter or repeal these Bylaws; (iv) elect, appoint or remove any member of any other committee of the Board or any Director or officer of the corporation; (v) amend the Articles of Incorporation; (vi) adopt a plan of merger or consolidation with another corporation; (vii) authorize the sale, lease, or exchange of all or substantially all of the property and assets of the corporation not in the ordinary course of business; (viii) authorize the voluntary dissolution of the corporation or revoke proceedings therefor; (ix) adopt a plan for the distribution of the assets of the corporation; or (x) amend, alter or repeal any resolution of the Board which by its terms provides that it shall not be amended, altered or repealed by such committee. Records of minutes of meetings of the Executive Committee shall be maintained in the same manner as records of meetings of the entire Board of Directors.

Section 3.2 Composition of the Executive Committee. If established, the number of members of the Executive Committee shall be determined by the Board of Directors, but shall not consist of less than two members. The initial members of the Executive Committee may be appointed at any meeting of the Board of Directors, and thereafter the membership of the Executive Committee shall be determined at each Annual Board Meeting.

Section 3.3 Other Committees of the Board. By resolution adopted by a majority of the Directors in office, the Board of Directors may establish other committees of the Board consisting of two or more Directors, which committees shall have and exercise the authority of the Board of Directors, to the extent provided in such resolution and subject to any limitations imposed by law and subject to the limitations that are imposed by Section 3.1 on the Executive Committee.

Section 3.4 Procedures for Committees of the Board. The Executive Committee and any other committees of the Board established pursuant to Section 3.3 shall be governed by the procedures set forth in this Section 3.4, except as may otherwise be provided in any resolution of the Board of Directors relating to such committee. A majority of the number of members of such committee shall constitute a quorum, and the act of a majority of the members of a committee present at a meeting at which a quorum is present shall be the act of the committee. A meeting of any such committee may be called by any member thereof, and notice of the place, day and hour of such meeting shall be given by or under the direction of the person calling the

meeting, by mail, personal delivery, telecopy, or personal communication over the telephone or otherwise, at least forty-eight (48) hours prior to the time the meeting is to be held. The provisions of Section 2.12 relating to waiver of notice shall be applicable to meetings of any such committee. By resolution adopted by a majority of the Directors in office, the Board may remove from any such committee any member thereof and may fill any vacancy on any such committee, whether such vacancy is caused by resignation, removal or otherwise.

Section 3.5 Nominating Committee. Before September 1 of each year, the Board of Directors shall designate a Nominating Committee, with such number of members as the Board deems appropriate. The Nominating Committee may but need not consist solely of Directors and shall not have or exercise any of the power of the Board. The Nominating Committee shall solicit and accept nominations from members, and any member may propose nominees to the Nominating Committee. The provisions of Section 3.4 relating to quorum, action by the committee, power to call a meeting, notice and waiver of notice shall govern the procedure of the Nominating Committee, except as may otherwise be provided in the resolution of the Board establishing such committee. Within thirty (30) days after its appointment, the Nominating Committee shall approve and give notice to the Secretary of its list of nominees for the positions on the Board of Directors and shall indicate which of such nominees are proposed to be officers of the corporation or chairmen of functional committees. In considering and making such recommendations, the Nominating Committee shall take into account such factors as it deems relevant.

Section 3.6 Functional Committees. The Board may authorize the formation of committees charged with the responsibility of performing designated functions for the corporation. The Board shall appoint the chairman of each such committee. Such chairmen shall be selected from the Directors of the corporation. The Board in appointing such chairmen shall take into account any recommendations of the Nominating Committee. The functional committees shall not have or exercise any of the power of the Board of Directors. The members of any such committee shall be as determined by the chairman thereof. The procedure for meetings and the conduct of the business of such committees shall be informal, appropriate to the functions and goals of such committee and shall be determined by the chairman thereof. It is not required that the procedures of Section 3.4 apply to such committees. Each functional committee shall keep such minutes of its meetings as its chairman deems appropriate.

Section 3.7 Managers and Agents. The Board may engage managers, management companies, agents and other persons to perform such duties as the Board shall delegate, except for those duties and authorities which may not be given to an Executive Committee as stated in Section 3.1.

ARTICLE 4

OFFICERS

Section 4.1 Officers Enumerated; Election; Powers. The officers of the corporation shall be a President, a Secretary and a Treasurer (collectively, the "Principal Officers"), and such other officers as the Board of Directors may designate, all of whom shall be elected by the Board of Directors at the Annual Board Meeting, to hold office until the next Annual Board Meeting, subject to provisions herein relating to vacancy and removal. The officers shall have the powers described in this Article 4 but shall at all times be subject to the authority and direction of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2 Qualifications; Succession. Each officer must be a natural person. The Principal Officers may, but need not, be Directors. The Board in electing officers shall take into account any recommendations of the Nominating Committee pursuant to Section 3.5.

Section 4.3 The President. The President shall be the chief executive officer of the corporation, and, subject to supervision by the Board of Directors, shall have all of the usual powers and authority held by the chief executive officer. The President shall preside at all meetings of the Board of Directors and the members, shall be responsible for carrying out the plans and directives of the Board and shall report to and consult with the Board. The President shall have such other powers and duties as the Board may prescribe.

Section 4.4 The Secretary. The Secretary, personally or with the assistance of designated members, shall keep minutes of the meetings of the Board of Directors and the members and shall arrange for notices of such meetings; maintain other corporate records; attest all contracts and other obligations or instruments in the name of the corporation, when necessary or appropriate; keep the corporate seal, if any, and affix the same to proper documents; and perform such other duties as the Board of Directors may from time to time designate.

Section 4.5 The Treasurer. The Treasurer shall have the care and custody, and be responsible for, all funds and securities of the corporation, and shall cause to be kept regular books of account and shall provide periodic financial reports to the Board of Directors and shall have the primary responsibility for the preparation of the Association's budget. The Treasurer shall cause to be deposited all funds and other valuable effects in the name of the corporation in such depositories as may be designated by the Board of Directors. In general, the Treasurer shall perform all of the duties incident to the office of Treasurer, and such other duties as from time to time may be assigned by the Board of Directors.

Section 4.6 Vacancies; Removal. Vacancies in any office arising from any cause may be filled by the Board of Directors for the unexpired term of such office. The Board by resolution may remove any officer at any time with or without cause.



Section 5.7 Rules of Procedure. The Board of Directors may adopt rules of procedure to govern any meetings of members or Directors, to the extent not inconsistent with law, the Articles of Incorporation, or these Bylaws, as in effect from time to time. In the absence of any rules of procedure adopted by the Board of Directors, the chairman of any meeting shall make all decisions regarding the procedure for such meeting.

Section 5.6 Corporate Seal. The corporate seal of the corporation, if any, shall be in such form as the Board of Directors may approve from time to time.

Section 5.5 Fiscal Year. The fiscal year of the corporation shall be the calendar year.

Section 5.4 Copies of Resolutions. Any person dealing with the corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or members, when certified by the President or the Secretary.

Section 5.3 Contracts and Instruments. The Board by resolution may authorize one or more officers or agents, acting alone or together, to execute contracts, checks, other payment orders, or other instruments or documents on behalf of the corporation. Any such resolution may be general or relate only to specific instances.

Section 5.2 Loans; No Loans to Directors or Officers. The corporation shall not borrow money or become a maker on any promissory notes or other evidences of indebtedness for borrowed money, unless authorized by the Board of Directors in accordance with Section 2.7. Any such resolution may be general or relate only to specific instances. The corporation shall not loan money or credit to its Directors or officers.

Section 5.1 Corporate Records and Books of Account. The corporation shall keep, at its registered or principal office or at the office of the Secretary, current Articles of Incorporation and Bylaws; a record of members, including names, addresses and dates of membership; correct and adequate records of accounts and finances; a record of the names and addresses of officers and Directors; minutes of the proceedings of the members, the Board of Directors, and any minutes that may be maintained by Committees of the Board; and any other necessary or advisable corporate records.

## FINANCIAL AND ADMINISTRATIVE MATTERS

### ARTICLE 5

Section 4.8 Amending the Declaration. Any officer of this corporation shall have the right to prepare, execute, certify and record properly adopted amendments to the Declaration.

Section 4.7 Compensation. The salaries, if any, of the officers and agents of the corporation shall be fixed by the Board of Directors.

ARTICLE 6

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 6.1 Grant of Indemnification. Subject to Section 6.2, each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a Director or officer of the corporation or by reason of the fact that, while a Director or officer of the corporation, he or she is or was serving at the request of the corporation as a Director, officer, employee or agent of the corporation or another corporation or of a partnership, joint venture, trust, other enterprise, or employee benefit plan, whether the basis of such proceeding is alleged action in an official capacity as a Director or officer or in any other capacity while serving as a Director, officer, employee or agent, shall be indemnified and held harmless by the corporation to the fullest extent permitted by applicable law, as then in effect, without the requirement of any further approval or finding by the members, the Board of Directors, or independent legal counsel, against all expense, liability and loss (including attorneys' fees, costs, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a Director or officer and shall inure to the benefit of his or her heirs, executors and administrators.

Section 6.2 Limitations on Indemnification. Notwithstanding Section 6.1, no indemnification shall be provided hereunder to any such person to the extent that such indemnification would be prohibited by the Washington Nonprofit Corporation Act or other applicable law as then in effect, nor, except as provided in Section 6.4 with respect to proceedings seeking to enforce rights to indemnification, shall the corporation indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person except where such proceeding (or part thereof) was authorized by the Board of Directors of the corporation.

Section 6.3 Advancement of Expenses. The right to indemnification conferred in this Article 6 shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses in advance of the final disposition of a proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such Director or officer, to repay all amounts so advanced if it shall ultimately be determined that such Director or officer is not entitled to be indemnified under this Article or otherwise.

Section 6.4 Right to Enforce Indemnification. If a claim under Section 6.1 is not paid in full by the corporation within sixty (60) days after a written claim has been received by the corporation, or if a claim for expenses incurred in defending a proceeding in advance of its final disposition authorized under Section 6.3 is not paid within twenty (20) days after a written claim

Section 6.7 Insurance and Other Security. The corporation may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the corporation, or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Nonprofit Corporation Act or other applicable law. The corporation may enter into contracts with any Director or officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure

Section 6.6 Indemnification of Employees and Agents. The corporation may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the corporation on the same terms and with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or other applicable law, or on such other terms as the Board may deem proper.

Section 6.5 Nonexclusivity. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article 6 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation or the Bylaws, agreement, vote of members or disinterested Directors or otherwise.

has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification hereunder upon submission of a written claim (and, in an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to the corporation), and thereafter the corporation shall have the burden of proof to overcome the presumption that the claimant is so entitled. It shall be a defense to any such action (other than an action with respect to expenses authorized under Section 6.3) that the claimant has not met the standards of conduct which make it permissible hereunder or under the Washington Nonprofit Corporation Act or other applicable law, for the corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its members) to have made a determination prior to the commencement of such action that indemnification of or reimbursement or advancement of expenses to the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth herein or in the Washington Nonprofit Corporation Act or other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its members) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to the action or create a presumption that the claimant is not so entitled.

Date Bylaws Adopted: May 8, 1998

These Bylaws may be altered, amended or repealed and new Bylaws adopted by the Board of Directors.

AMENDMENTS

ARTICLE 7

Section 6.9 Effect of This Article. The rights conferred by this Article 6 shall be deemed to be contract rights between the corporation and each person who is or was a Director or officer. The corporation expressly intends each such person to rely on the rights conferred hereby in performing his or her respective duties on behalf of the corporation.

Section 6.8 Amendment or Modification. This Article 6 may be altered or amended as provided in Article 7 at any time, but no such amendment shall have the effect of diminishing the rights of any person who is or was an officer or Director as to any acts or omissions taken or omitted to be taken prior to the effective date of such amendment.

Article 6. the payment of such amounts as may be necessary to effect indemnification as provided in this



RULES AND REGULATIONS FOR  
PEBBLE CREEK CONDOMINIUM

General Rules

1. No commercial or business activities shall be carried on in any Unit except as permitted by the declaration.
2. No soliciting of goods, services or religious activities shall be permitted on the premises by a resident, guest or other person, except as approved by the Board of Directors. Newspaper and laundry solicitations are excepted from this rule.
3. No sign, signal or lettering shall be inscribed or exposed on or at any window or other part of any Building, nor shall anything be projected out of any window.
4. Each resident and guest who installs drapes in his or her Unit shall line them with a material so that when viewed from the outside the exterior of the Buildings they will present a uniform appearance with the other Units.
5. No radio or television antenna shall be erected or maintained outside the physical confines of a Unit.
6. No awnings, air conditioning units or other projections shall be attached to outside walls of the Building or to the exterior of any door or on the balconies.
7. No items shall be hung on any balcony or from any balcony railings. Clothing or laundry shall not be hung in doorways or windows in such manner as to be in view of persons outside of the Building.
8. Only furniture and potted plants appropriate to balconies may be used thereon. Containers shall be placed under all pots so as to avoid the dripping of water. Screens and other articles which, in the opinion of the Board of Directors, are unsightly shall be removed from balconies upon the written request of the Board of Directors.
9. The watering of plants and sweeping and mopping of balconies and adjacent areas shall be accomplished in a manner which will not create a nuisance to persons residing in lower or adjacent Units or to persons on the grounds of the Property. Articles shall not be thrown off of balconies.
10. No bicycles shall be left or allowed to stand on any of the Property, other than within the confines of a Unit or storage area assigned for that purpose.

20. No items of personal property, including baby carriages, shopping carts, bicycles, shoes, door mats or plants shall be left or allowed to stand in any part of the Common Elements.

19. The Common Elements shall not be obstructed or used for purposes other than ingress and egress or their other intended purposes.

Common Elements

18. The Unit owner shall be responsible for the acts or omissions of the tenant's occupant and guests of his or her Unit.

17. The Secretary of the Association shall be notified by the Unit Owner of the name and duration of stay of any tenant or when his or her Unit is expected to be vacant for more than seven (7) consecutive days.

Rentals

16. Cigarettes shall not be lighted or smoked in any portions of the Common Elements within any building.

15. No resident or guest shall make or permit to be made any unreasonable noise in the Building which will annoy or interfere with the rights, comforts and convenience of other residents or guests.

14. The Board of Directors shall retain a pass key to each Unit. No lock shall be altered nor may a new lock be installed without giving to the Board of Directors a new pass key for such lock the same day it is installed.

13. No employee hired by the Board of Directors shall be asked to conduct any private business for an occupant or owner of a Unit.

12. Maintenance personnel shall not be asked to do work within any Unit except in an emergency which endangers other Units or the safety of residents or guests.

11. Residents or guests shall not bring onto, store or use on the premises any hazardous fluids, such as gasoline, kerosene, naphtha, benzine, explosives or articles deemed especially hazardous to persons or property. Individual exceptions for small quantities of such fluids or articles may be arranged with the Secretary of the Association at the discretion of the Board of Directors.

- 29. Persons using the swimming pool or the areas adjacent thereto shall not do so with excessive noise or otherwise create a nuisance or disturb other residents.
- 28. No alcoholic beverages shall be consumed in or in the immediate vicinity of the swimming pool.
- 27. Except as otherwise approved by the Board of Directors, the swimming pool will be closed from 7:00 p.m. to 10:00 a.m. each day.

Swimming Pool

- 26. Guest parking, if any, shall be under the supervision of the Board of Directors and shall not be used by residents for their own vehicles. Guests shall park only in authorized areas.
- 25. No personal property such as boats, trailers, lumber, crates, furniture or any other items shall be stored within the assigned parking stall or parking area.
- 24. Parking areas shall not be used for any recreation, including bicycle riding, ball playing or skateboard riding.
- 23. No repairs to vehicles shall be permitted on the Property, with the exception of minor emergency repairs. No undue racing of engines or tire-squealing accelerations shall be permitted.
- 22. Each resident and guest shall park his or her car only in such parking stall or stalls as may be assigned to him or her or in any parking area set aside for general use. Cars parked in stalls assigned to another may be removed by the Board of Directors. Residents and guests shall not allow their cars to protrude beyond parking stalls or to block the entrance or exit driveways. Only operative automobiles and other authorized vehicles may be parked in parking stalls.

Parking Areas

- 21. Electrical and plumbing apparatus, such as toilets and garbage disposals, shall be used only for the purpose for which they were constructed. No sweeping, hair, rubbish, rugs, paper, or other substances shall be thrown into plumbing apparatus. Any damage resulting to any Building or Units from such misuse shall be paid for by the resident or guest who caused same.



41. Any pet which is a nuisance or causes unreasonable disturbance to any resident or causes damage to any Building or Common Elements shall be removed by the owner promptly upon written request by the Board of Directors. Costs, if any, involved in removing and boarding any pet shall be borne by the pet owner.
40. Financial and all other responsibility for any personal injury or personal property damage caused to any owner, occupant, or guest, or to any member of the public or employee of the Association shall be solely that of the pet owner.
39. Any damage caused by a pet to any Building, grounds, flooring, tile, carpeting, stairs or other portion of the condominium shall be the full responsibility of each owner of such pet. Any damage caused by cleaning, chemicals or other such materials used in the attempt to remedy such damage shall also be the full responsibility of such pet owner, who shall pay the full cost of restitution or removal or replacement of such damaged items.
38. Pets shall be curbed only in the street gutter.
37. Pets shall not be allowed out of a Unit or Building unless in the custody of their owner and on a leash not to exceed four (4) feet in length.
36. No pets of guests shall be allowed on the Property.
35. Pets shall not be kept, bred or used for any commercial purpose on the Property.
34. Any one or more dogs, cats or other animals may be excluded from the Property, even though other animals of the same species and breed are permitted to remain.
33. Only one dog or cat weighing less than thirty-five (35) pounds may be kept in a given Unit.
32. No inflammable materials, such as paint, paint thinner, solvent, gasoline or other combustible materials shall be put into the garbage bin.
31. All garbage shall be wrapped or bagged before depositing into garbage containers.
30. No garbage cans, waste containers, or other similar articles shall be placed outside the confines of a Unit except as the Board of Directors shall prescribe.

### Refuse

### Pets