

BYLAWS  
OF  
PIONEER STORAGE CONDOMINIUM OWNERS' ASSOCIATION

The following are the Bylaws of Pioneer Storage Condominium Owners' Association (the "Association"), a corporation organized under the Washington Nonprofit Corporation Act (RCW 24.03, the "Nonprofit Corporation Act"). These Bylaws provide for the operation of Pioneer Storage Complex, a condominium (the "Condominium") located in Whatcom County, Washington, created pursuant to the Washington Condominium Act (RCW 64.34, the "Condominium Act"). These Bylaws apply to the entire Condominium, each Unit therein, and all Common Elements. Each Owner automatically, by virtue of such ownership, becomes a member of the Association. All present and future Owners, Mortgagees and other encumbrances, lessees, tenants, licensees, and occupants of Units, and their guests and employees, are subject to these Bylaws, the Condominium Declaration for Pioneer Storage Complex, a condominium as it may from time to time be amended (the "Declaration"), and the House Rules pertaining to use and operation of the Condominium.

Words and phrases that are defined in the Declaration shall have the same meaning in these Bylaws.

ARTICLE 1  
MEMBERSHIP VOTING: REGISTER

Section 1.1. Membership. The membership of the Association shall at all times consist exclusively of all the Unit Owners. Corporations, partnerships, associations, and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members of the Association. Owners of a Unit as joint tenants, tenants in common, community property, or other ownership involving more than one owner, shall be joint members of the Association, but the sum total of their vote shall not exceed the voting power allocated to the Unit owned.

Section 1.2 Number of Votes. The total voting power in the Association shall be one hundred votes with votes assigned to each Unit as set forth in the Declaration.

Section 1.3 Voting by Multiple Owners. If only one of the multiple Owners of a Unit is present at a meeting of the Association or has delivered a written ballot or proxy to the Association secretary, that Owner is entitled to cast all the votes allocated to that Unit. If more than one of the multiple Owners is present or has delivered a written ballot or proxy to the Association secretary, the votes allocated to that Unit may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Unit without protest being made promptly to the person presiding over the meeting by any of the other Owners of the Unit.

Section 1.4 Voting Representative. An Owner may, by written notice to the Board, designate a voting representative for the Unit. The voting representative need not be an Owner. The designation may be revoked at any time by written notice to the Board from a person having an ownership interest in a Unit, or by actual notice to the Board of the death or judicially declared incompetence of any person with an ownership interest in the Unit, except in cases in which the person designated is a Mortgagee of the Unit. This power of designation and revocation may be exercised by the guardian of an Owner, the attorney-in-fact of the Owner under a durable power of attorney, or the administrators or executors of an Owner's estate. If no designation has been made, or if a designation has been revoked and no new designation has been made, the voting representative of each Unit shall be the group composed of all of its Owners. If a Unit is owned by husband and wife and only one of them is at a meeting, the one who is present will represent the marital community.

Section 1.5 Voting by Proxy; Pledged Votes to Mortgagee. Votes allocated to a Unit may be cast pursuant to a proxy duly executed by an Owner. If a Unit is owned by more than one person, each Owner of a Unit may vote or register protest to the casting of votes by the other Owners of the Unit through a duly executed proxy. A Unit Owner may not revoke a proxy given pursuant to this Section except by actual notice or revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates 11 months after its date of issuance.

Section 1.6 Voting on Units Owned by the Association. No votes allocated to a Unit owned by the Association may be cast, and in determining the percentage of votes required to act on any matter, the votes allocated to Units owned by the Association shall be disregarded.

Section 1.7 Register of Members. The Board shall cause a register to be kept containing the names and addresses of all members of the Association, their designated representatives, any voting rights pledges and any proxies that have been filed with the Association. Owners who sell or convey their interests in a Unit shall promptly report to the Board of Directors the name and address of their successor in interest. Persons who claim to be members of the Association shall, upon request, furnish the Board with copies of any documents under which they assert ownership of a Unit or any interest therein, and any Mortgages thereon.

## ARTICLE 2 MEETINGS OF MEMBERS

Section 2.1 Place. Meetings of the Association shall be held at such reasonable place as may be designated from time to time by the Board.

Section 2.2 Annual Meeting. The annual meeting of the Association shall be held in the first quarter of each fiscal year on a date fixed by the Board. Notice for the annual meeting shall be delivered not less than 10 nor more than 60 days before the meeting, in the manner described below. At the annual meeting the Owners shall select members to the Board or fill vacancies therein as provided in the Declaration and Bylaws, and transact such other business as shall properly come before the meeting.

Section 2.3 Budget Meeting. Within 30 days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all of the members and set a date for a meeting of the members to consider ratification of the budget. This date shall be not less than 10 nor more than 60 days after mailing the summary. Unless at the meeting members holding a majority of the votes in the Association to reject the budget, the budget is ratified, whether or not a quorum is present for the meeting. In the event the proposed budget is rejected or the required notice for the meeting is not given, the budget last ratified by the Owners shall be continued until a budget proposed by the Board is ratified.

Section 2.4 Special Meeting. A special meeting of the Association may be called by the President, by a majority of the Board or upon the written request of Owners having not less than 20% of the votes in the Association. Notice for the meeting shall be given as described below. No business shall be transacted at a special meeting except as stated in the notice given therefore unless consented to by each of the Owners present either in person or by proxy.

Section 2.5 Notice of Meetings. It shall be the duty of the secretary to give notice of each annual, budget, and special meeting. Not less than 10 nor more than 60 days in advance of any meeting, the notice for that meeting shall be hand-delivered or sent prepaid by 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

(and to any other person entitled to notice under the Declaration or Bylaws). The notice of any meeting shall state the time and place of the meeting and the items on the agenda to be voted on by the members, including the general nature of any proposed amendment to the Declaration or Bylaws, changes in the previously approved budget that result in a change in Assessment obligations, and any proposal to remove a director or officer. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

Section 2.6 Quorum. The presence in person or by proxy of members of the Association or voting representatives holding 25% of the total voting power shall constitute a quorum for the transaction of business at any meeting of members of the Association.

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

Section 2.8 Majority Vote. Except as otherwise provided by the Condominium Act, by the Declaration, or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is present, shall require the affirmative vote of more than 50% of the votes present.

Section 2.9 Action by Members Without a Meeting. Any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a written consent setting forth the action to be taken is signed by every member. Any such written consent shall be inserted in the minute book as if it were the minutes of a meeting of the Association.

Section 2.10 Voting by Mail. The Board may decide that voting of the members shall be by mail with respect to any particular election of the Board or with respect to adoption of any proposed amendment to the Declaration or Bylaws, or with respect to any other matter for which approval by Owners is required by the Declaration or Bylaws, in accordance with the following procedure:

(a) The Secretary shall give written notice and/or ballot to all Owners, which shall include a proposed written resolution setting forth a description of the proposed action and shall state that the Owners are entitled to vote by mail for or against the proposal by delivering the vote on or before a specified date not less than 20 days after the notice to the address specified in the notice. Votes received after that date shall not be effective. Any such proposal shall be adopted if approved by the affirmative vote of not less than a majority of the votes entitled to be cast on such question, unless a greater or lesser voting requirement is established by the Declaration or Bylaws for the matter in question.

(b) Delivery of a vote in writing to the specified address shall be equivalent to receipt of a vote by mail at such address for the purpose of this Section.

Section 2.11 Written Ballot. At the discretion of the Board, any matter which might come before the Association at a meeting, including election of directors, may be determined by written ballot, rather than at a meeting. Ballots shall be sent to all Unit Owners in the same manner as notice of meetings, with a specified deadline for return of ballots. Ballots for such meetings must be properly executed and returned in sufficient quantity to constitute a quorum, and determination of the matter presented shall be based upon the required percentage of ballots returned, unless approval of a specified percentage of all voting power is required by law, the Declaration, or these Bylaws. The vote by ballot shall be determined by the Board within 48 hours of the deadline for return of ballots. Within 10 days after the ballots have been counted, each Unit Owner shall be notified by mail or other delivery of written notice of the results of the ballot or that a quorum of ballots was not returned.

Section 2.12 Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with or altered by motion:

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

Section 2.13 Parliamentary Authority. In the event of dispute, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority of the Voting Power at the meeting.

### ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 Number, Term and Qualifications. The affairs of the Association shall be initially governed by a Board of two directors. The Declarant shall appoint the initial members of the Board who need not be Owners. Within 30 days after the termination of Declarant Control ("Transition Date"), or such earlier time as determined by the Declarant or Board, the Declarant or the Board shall call a special meeting of the Owners to elect a Board of three directors to serve until the first day of the calendar month following the date of adjournment of the first annual meeting. Thereafter, the term of office for directors will begin on the first day of the calendar month following the date of adjournment of the annual meeting at which they are elected. The normal term of office for directors will be for one year and until their successors are elected and take office. A majority of the directors elected by the Owners after the Transition Date shall be members of the Association. With respect to any Unit owned by a legal entity that is not an individual, any officer, director, or shareholder of a corporation, any partner of a partnership, any member of a limited liability company and any trustee or beneficiary of a trust shall be considered as a member of the Association for the foregoing purpose. A director for each directorship shall be elected by a majority vote of the Unit Owners.

Section 3.2 Powers and Duties. The Board shall have the powers and duties provided for the Condominium in the Condominium Act and in the Declaration, and all other powers necessary for the administration of the affairs of the Association, and may do all such acts and things as are not prohibited by statute or by the Declaration required to be done in another manner.

Section 3.3 Vacancies. Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum. Each person so selected shall be a director until a successor is elected at the next annual meeting of the Association to serve the balance of the unexpired term.

Section 3.4 Removal of Directors. The Unit Owners, by a vote of two-thirds of the voting power in the Association present and entitled to vote at any meeting of the Unit Owners at which a quorum is present, may remove any member of the Board of Directors with or without cause, other than a member appointed by the Declarant. The Declarant may not remove any member of the Board of Directors elected by the Unit Owners. Prior to the termination of the period of Declarant Control, the Unit Owners, other than the Declarant, may remove by a vote of two-thirds of the Voting Power, any director elected by the Unit Owners. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 3.5 Compensation. No compensation shall be paid to directors for their services as directors.

Section 3.6 Organization Meeting. The first meeting of the newly selected Board shall be held within ten days of election at a place to be fixed by the directors at the meeting at which the directors were elected, and no notice shall be necessary to the newly selected directors in order to legally call the meeting, providing a majority of the whole Board shall be present at the meeting.

Section 3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board shall be given to each director personally or by mail, telephone, facsimile transmission or internet transmission, at least three days before the day fixed for the meeting.

Section 3.8 Special Meetings. Special meetings of the Board may be called by the president on three days' notice to each director, given personally or by mail, telephone, facsimile transmission or internet transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by either the president or secretary in like manner and on like notice on the written request of any two directors.

Section 3.9 Waiver of Notice. Before any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of notice. Attendance by a director at any meeting of the Board shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins. If all directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at the meeting.

Section 3.10 Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If there is less than a quorum present at any meeting of the Board, the majority of those present may adjourn the meeting from time to time. At the adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.11 Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken in the manner described in this Section.

(a) The Board may act without a meeting if a written or electronic consent setting forth the action to be taken is signed or provided by every director. Any such consent shall be inserted in the minute book as if it were the minutes of a meeting of the Board.

(b) The Board may act by communicating simultaneously with all directors by means of a conference telephone or similar communications equipment. Minutes of such simultaneous communications shall be inserted in the minute book as if they were the minutes of a physical meeting of the Board.

Section 3.12 Open Meeting. Any Owner or voting representative may attend any meeting of the Board, but shall not be entitled to participate except with the consent of the Board. The Board may, however, go into private, executive session to consider the employment or dismissal of the managing agent or other persons employed by the Association, or hear complaints or charges brought against such person, unless the person requests a public hearing, or to discuss with legal counsel litigation in which the Association is or is likely to become a party if public discussion would adversely affect the interests of the Association in such litigation.

Section 3.13 Standard of Care for Directors. To the extent required by RCW 64.34.308(1), and subject to all limitations now or hereafter included as part of that statute, the Board of Directors shall act in all instances on behalf of the Association, and each Director, in the performance of his duties, is required to exercise: (a) if appointed by the Declarant, the care required of fiduciaries of the Unit Owners; or (b) if elected by the Unit Owners, ordinary and reasonable care.

#### ARTICLE 4 OFFICERS

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

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

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

Section 4.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board and shall have such authority and duties as may be prescribed by the Board. The President may prepare, execute, certify, and record amendments to the Declaration on behalf of the Association.

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

Section 4.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the Association and shall have custody of the business records of the Board and the Association, other than financial records kept by the Treasurer. He shall also maintain the register of Owners, designated representatives, voting rights pledges and proxies. He shall also perform such other duties as may be prescribed by the Board.

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

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

Section 4.9 Compensation. The Board may pay reasonable compensation to any officer or Owner who performs substantial services for the Condominium in carrying out the management duties of the Board.

Section 4.10 Standard of Care for Officers. To the extent required by RCW 64.34.308(1), and subject to all limitations now or hereafter included as part of that statute, the Board of Directors shall act in all instances on behalf of the Association, and each Director, in the performance of his duties, is required to exercise: (a) if appointed by the Declarant, the care required of fiduciaries of the Unit Owners; or (b) if elected by the Unit Owners, ordinary and reasonable care.

## ARTICLE 5

### COMMITTEES AND MANAGER

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

Section 5.2 Other Committees. Other committees, not having or exercising the authority of the board in the management of the Association, may be appointed by the President or the directors, and such committees may be composed of one or more members of the Association other than Board members, but each shall have one Board member as a member or chairman.

Section 5.3 Delegation to Manager. The Board of Directors may delegate any of its duties, powers or functions to any person or persons, to act as manager of the Condominium as provided in the Declaration.

## ARTICLE 6

### OBLIGATIONS OF UNIT OWNERS

Section 6.1 Assessments. Unit Owners are obligated to pay the maintenance Assessments and other Assessments imposed by the Association to meet all Common Expenses of the Property as set forth in the Declaration, and the Board of Directors shall act to establish, assess, collect and expend such Assessments as therein provided.

Section 6.2 House Rules. The Board of Directors may, from time to time, adopt such House Rules (in addition to the restrictions set forth in the Declaration) as may be required for the use, occupancy and maintenance of the Units and Common Elements, and when so adopted, such House Rules shall be binding upon all of the Owners and occupants. Such House Rules shall be consistent with the Declaration and Bylaws, and, to the extent they are inconsistent, the House Rules shall be invalid. The Board of Directors may from time to time amend any such House Rules.

## ARTICLE 7 HANDLING OF FUNDS

Section 7.1 Accounts. The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the Condominium. Overall superintendence of these funds shall be the responsibility of the Treasurer of the Association. There shall be at least two separate funds as described in Sections 7.2 and 7.3 of these Bylaws.

Section 7.2 Working Capital Fund. The Association shall establish and maintain a checking account in a federally insured financial institution to be known as the "Working Capital Fund". This fund will be used for the normal operation of the Condominium and will receive all monthly Assessments and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the Condominium and maintenance expenses of a routine or minor nature that do not require resort to the Reserve Fund. Funds for the Reserve Fund will normally be deposited in the Working Capital Fund and checks immediately issued, or transfers made, to the other fund so an overall account of the funds received and disbursed by the Association is centralized in the check register of the Working Capital Fund.

Section 7.3 Reserve Fund for Common Elements & Insurance. The Association shall establish and maintain an interest-bearing savings account at a federally insured financial institution which shall be known as the "Reserve Fund". The Treasurer shall deposit to this Reserve Fund amounts reasonably anticipated to be required for the periodic maintenance, repair, and replacement of the Common Elements. The Association may establish a separate interest bearing savings account for insurance deductible reserves.

Section 7.4 Combination and Deposit or Investment of Funds. All funds of the Association shall be kept in accounts or deposits that are insured by agencies of the United States. The funds of the Association shall not be commingled with the funds of any other association or with the funds of any manager of the Association. Withdrawals of reserve funds shall require the signature of at least two persons who are officers or directors of the Association.

## ARTICLE 8 KEEPING RECORDS AND REPORTS

The Board shall keep financial records sufficiently detailed to enable the Association to comply with RCW 64.34.425, resale of unit and in a form that complies with generally accepted accounting principles. All financial and other records of the Association, including but not limited to checks, bank records, and invoices, are the property of the Association, but shall be made reasonably available for examination and copying by the manager of the Association, any Unit Owner, or the Owner's authorized agents. At least annually, the Association shall prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. The Association shall cause to be prepared an annual audit unless this requirement is waived annually by Unit Owners, other than the Declarant, of Units to which sixty percent (60%) of the votes are allocated, excluding the votes allocated to Units owned by the Declarant.

ARTICLE 9  
AMENDMENTS

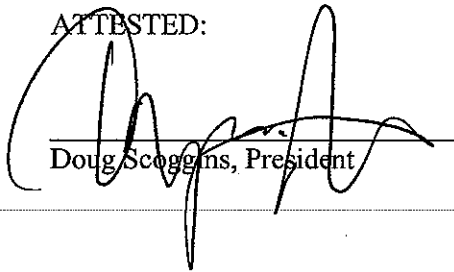
Amendments to these Bylaws shall be adopted by the Association upon concurrence of those voting Owners holding sixty percent (60%) of the total voting power. Amendments to the Bylaws may be adopted at any regular or special meeting.

ARTICLE 10  
RESALE CERTIFICATE.

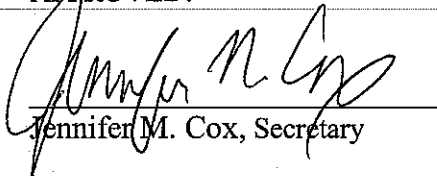
The Board of Directors, within ten (10) days after a request by a Unit Owner, shall furnish a certificate containing the information necessary to enable the apartment owner to comply with the provisions of RCW 64.34.425, as amended. The Association may charge a reasonable fee to the Unit Owner requesting such certificate, provided such fee shall not exceed One Hundred Fifty Dollars (\$150.00).

DATED this \_\_\_\_ day of January, 2009.

ATTESTED:

  
\_\_\_\_\_  
Doug Scoggins, President

APPROVED:

  
\_\_\_\_\_  
Jennifer M. Cox, Secretary

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