

**PUBLIC OFFERING STATEMENT FOR  
FIDALGO MARINA CONDOMINIUM**

**PART II**

**BYLAWS**

**FIDALGO MARINA OWNERS ASSOCIATION**

**BYLAWS**  
**OF**  
**FIDALGO MARINA OWNERS ASSOCIATION**

**ARTICLE 1.**

**OBJECT AND DEFINITIONS**

1.1 **Definitions.** Unless otherwise specified, capitalized terms shall used herein have the same meaning in these Bylaws as such terms have in the Declaration. The terms "Owner" and "Member" as used herein shall be synonymous.

1.2 **Purpose.** This association (the "Association") is formed:

1.2.1 to govern that certain condominium property which has been submitted to the provisions of the Washington Condominium Act (the "Condominium Statute") and which is described in a Declaration (the "Declaration") entitled "Declaration and Covenants, Conditions, Restrictions and Reservations for Fidalgo Marina Condominium" (the "Condominium"), dated February 24, 1993 and recorded February 25, 1993 as Skagit County Recording No. 9302250060, as corrected by Correction dated March 4, 1993 and recorded March 5, 1993 as Skagit County Recording No. 9303050032 establishing a plan for condominium ownership of Units within the Condominium; and

1.2.2 to assume the obligations and liabilities of lessee under the City Lease and all extensions, renewals or replacements thereof; and

1.2.3 to operate and manage the Marina and to sublease Marina Slips to Owners during such time that the City Lease and any extensions, renewals or replacements thereof are in effect; and

1.2.4 to engage in all such activities as are incidental or conducive to the attainment of the objectives of the Association and all activities which are permitted to be done by a nonprofit corporation under any laws that may now or hereafter be applicable or available to this Association.

1.3 **Assent.** All present or future owners or tenants or any other person using the facilities of the Condominium in any manner are subject to the regulations set forth in these Bylaws. The mere acquisition or rental of one or more units ("Units") in the Condominium or the mere act or occupancy of any of the Units shall constitute ratification of these Bylaws.

**ARTICLE 2.**

**POWERS**

The Association shall have all powers available to a unit owners' association under the Condominium Statute and all powers of a nonprofit corporation under the Washington Nonprofit Corporation Act that are not inconsistent with the Condominium Statute. The powers of the Association shall be subject to and exercised in accordance with the provisions of the Declaration, as from time to time amended.

ARTICLE 3.

MEMBERSHIP, VOTING, MEETINGS AND ADMINISTRATION

3.1 Matters Governed by Declaration. With regard to various matters including membership, meetings and voting, reference is made to Article 10 of the Declaration.

3.2 Additional Administrative Provisions.

3.2.1 Majority of Owners. As used in these Bylaws, the term "Majority of Owners" shall mean Owners of Units to which more than fifty percent (50%) of the votes in the Association are allocated.

3.2.2 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners of Units to which at least twenty-five percent (25%) of the total votes in the Association are allocated shall constitute a quorum. Except as otherwise provided in the Declaration or in these Bylaws, an affirmative vote of Owners of Units to which are allocated a majority of the votes in the Association and which are present, either in person or by proxy, shall be required to transact business; provided, however, that no Board member shall be removed unless by a two-thirds vote of the voting power in the Association present and entitled to vote at any meeting of the Owners at which a quorum is present.

3.2.3 Proxies; Voting Representative. Votes may be cast in person or by proxy by a designated voting representative, all in accordance with the provisions of these Bylaws and Section 10.5 of the Declaration. Proxies shall be in writing, dated, and duly executed by the Owner. Multiple Owners of a Unit each may vote or register protest to casting of votes by the other Owners of the Unit through a duly appointed voting representative. Proxies must be filed with the Secretary of the Association (the "Secretary") before the appointed time of each meeting. No proxy shall be valid for a period longer than eleven (11) months after the date thereof. Revocation of a proxy must be by written notice to the Secretary.

3.2.4 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, adoption of any proposed amendment to the Declaration or Bylaws or any other matter for which approval by Owners is required by the Declaration or Bylaws, in accordance with the following procedure:

3.2.4.1 In case of election of Board members by mail, the existing Board members shall advise the Secretary in writing of the names of proposed Board members sufficient to constitute a full Board and of a date at least fifty (50) days after such advice is given by which all votes are to be received. The Secretary within five (5) days after such advice is given shall give written notice of the number of Board members to be elected and of the names of the nominees to all Owners of each Unit. The notice shall state that any Owner may nominate an additional candidate or candidates, not to exceed the number of Board members to be elected, by notice in writing to the Secretary at the specified address of the principal office of the Association, to be received on or before a specified date fifteen (15) days from the date the notice is given by the Secretary. Within five (5) days after such specified date the Secretary shall give written notice to all Owners, stating the number of Board members to be elected, the names of all persons nominated by the Board and by the Members on or before said specified date, that each Owner may cast its vote by mail and the date established by the Board by which such votes must be received by the Secretary at the address of the principal office of the Association, which shall be specified in the notice. Votes received after the established date shall not be effective. All persons

electd as Board members pursuant to such an election by mail by receipt of the number of votes required by applicable law shall take office effective on the date specified in the notice for receipt of such votes.

3.2.4.2 In the case of a vote by mail relating to any other matter, the Secretary shall give written notice to all Owners of each Unit, which notice shall include a proposed written resolution setting forth a description of the proposed action and shall state (1) that such persons are entitled to vote by mail for or against such proposal, (2) a date not less than twenty (20) days after the date such notice shall have been given on or before which all votes must be received and (3) that they must be sent to the specified address of the principal office of the Association. 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.

3.2.4.3 Delivery of a vote in writing to the principal office of the Association shall be equivalent to receipt of a vote by mail at such address for the purpose of this Article 3.2.4.

3.2.5 Adjourned Meeting. If any meeting of the Owners cannot be organized because a quorum has not been obtained, the Owners who are present either in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

3.2.6 Order of Business. The order of business at all meetings of the Owners shall be as follows:

- 3.2.6.1 Roll call;
- 3.2.6.2 Proof of notice of meeting or waiver of notice;
- 3.2.6.3 Reading and approval of minutes of preceding meeting;
- 3.2.6.4 Reports of officers;
- 3.2.6.5 Reports of committees;
- 3.2.6.6 Election of Board members (annual meeting only);
- 3.2.6.7 Unfinished business; and
- 3.2.6.8 New business.

#### ARTICLE 4.

##### MANAGEMENT OF CONDOMINIUM

4.1 In General. The affairs of the Association shall be governed by a Board which shall be composed of three (3) directors, each of which shall be an Owner, or a director, officer, partner in or trustee of an Owner. The number of directors may be increased from time to time upon a vote of a majority of directors then in office. With regard to initial appointment of Board members by Declarant, election of a new Board, and transfer of administration of the Association, reference is made to Article 12 of the Declaration. The names and addresses of the initial Board members are as set forth in Article 8 of the Articles of Incorporation of the Association.

#### 4.2 Additional Provisions Regarding Board.

4.2.1 Election and Term of Office. The members of the Board shall serve for terms of office of at least one (1) year in length, provided that, at the Association meeting at which the first Board after the Transition Date is elected, the Owners shall elect three (3) Board members for terms of one (1), two (2) and three (3) years, respectively, such that the expiration dates for the terms of Board members are staggered. The terms of all Board members except those elected at the first Association meeting after the Transition Date as described above shall be the same length.

4.2.2 Vacancies. Vacancies in the Board caused by any reason, including an increase in the number of directors, other than the removal of a Board member by a vote of the Association, shall be filled by vote of the majority of the remaining Board members, even though they may constitute less than a quorum; and each person so elected shall be a Board member until a successor is elected at the next annual meeting of the Association. A quorum for purposes of meetings and votes on the filling of vacancies shall be one-third (1/3) of the membership fixed for the Board.

4.2.3 Removal of Board Members. At any regular meeting or at any special meeting called for that purpose at which a quorum is present, any one or more of the Board members (other than a Board member appointed by Declarant) may be removed with or without cause, by Owners of Units to which two-thirds (2/3) of the votes in the Association are allocated and who are present and entitled to vote at such meeting, and a successor may then and there be elected to fill the vacancy thus created. Any Board member whose removal has been so proposed by the Owners shall be given an opportunity to be heard at the meeting. Declarant may not remove any member of the Board elected by the Owners. Prior to the Transition Date, the Owners other than the Declarant may remove by a two-thirds (2/3) vote any Board member elected by the Owners.

4.2.4 Organization Meeting. The first meeting of a newly elected Board shall be held immediately following the annual meeting, and no notice to the newly elected Board members shall be necessary to legally constitute such meeting.

4.2.5 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 Board members, but at least two (2) such meetings shall be held during each fiscal year, and one (1) such meeting shall be held immediately following the annual meeting of Owners. Notice of regular meetings of the Board shall be given to each Board member, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

4.2.6 Special Meetings. Special meetings of the Board may be called by the President of the Association (the "President") on three (3) days notice to each Board member, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Board members.

4.2.7 Waiver of Notice. Before, at or after any meeting of the Board, any Board member may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Board member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof, unless his appearance is limited to the purpose of objecting to the validity of the meeting, and in such event

a written statement of the limited purpose and of the objection to the meeting shall be filed with the Board prior to the meeting. If all the Board members are present without objection at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting. The Board may act without a meeting if all Board members concur and sign minutes confirming the action of the Board and waiving notice and actual meeting.

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

4.2.9 Fidelity Bonds. The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

4.2.10 Board Fees. Each Board member shall receive such sum as the Owners may from time to time determine, plus transportation expenses, for attendance at any regular or special meeting of the Board.

#### ARTICLE 5.

#### OFFICERS

5.1 Designation. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected annually by the Board.

5.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board. Any person may hold concurrently any two (2) offices, except that the same person may not concurrently hold the offices of President and Secretary. The office of Vice President need not be filled. The Board may elect officers from among its members or otherwise.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with or without cause, and his successor elected at any regular or special meeting of the Board called for such purpose.

5.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and the Board. He shall have all of the general powers and duties which are usually vested in the office of the President of a nonprofit association including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Vice President. A Vice President shall have all the powers and authority and perform all of the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties.

5.6 Secretary. The Secretary shall keep the minutes of meetings of the Board and minutes of meetings of the Association; have charge of such

books and papers as the Board may direct; and, in general, perform all the duties incident to the office of Secretary. The Secretary may compile and keep up to date at the principal office of the Association a complete list of Members and their registered mailing addresses. Such list shall also show opposite each Member's name the number or other appropriate designation of the Unit owned by such Member and the Marina Slip corresponding to such Unit. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

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

**5.8 Assistant Secretary.** The Board may appoint one or more Assistant Secretaries to perform all of the duties of the Secretary in the absence of the Secretary.

**5.9 Assistant Treasurer.** The Board may appoint one or more Assistant Treasurers to perform all of the duties of the Treasurer in the absence of the Treasurer.

**5.10 Vacancies.** A vacant officer position shall be filled in the same manner as provided for vacant Board positions in Article 4.2.2 herein.

**5.11 Amendments to Declaration.** The Secretary and the President shall be authorized to prepare, execute, certify and record Amendments to the Condominium Declaration on behalf of the Association.

#### ARTICLE 6.

##### INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every Board member or officer and his or her heirs, executors and administrators against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he or she may be a party or in which he or she may become involved by reason of holding or having held such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance and except in cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties; provided that, in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association. Nothing contained herein shall, however, be deemed to obligate the Association to indemnify any Owner who is or has been a Board member or officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as an Owner of a Unit covered thereby.

#### ARTICLE 7.

##### OBLIGATIONS OF OWNERS

**7.1 In General.** Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Condominium was built, and each Owner shall comply strictly with all provisions of the Declaration. Without limiting the generality of the

foregoing, particular reference is made to Articles 8, 14, 15, 16 and 23 of the Declaration.

**7.2 Use of Common Elements and Limited Common Elements.** Each Owner shall use the Common Elements and Limited Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

**7.3 Right of Entry.**

**7.3.1** An Owner shall permit the Managing Agent or other person authorized by the Board the right of access to the Owner's Unit, Marina Slip and appurtenant Limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of the Unit, Marina Slip, or Common Elements or at any time deemed necessary by the Managing Agent or Board for the making of emergency repairs or to prevent damage to any part of the Property or the Marina.

**7.3.2** An Owner shall permit the Managing Agent, other persons authorized by the Board, other Owners or their representatives, when so required, to enter his Unit or Marina Slip for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or to the Units, Marina Slips and Limited Common Elements of other Owners; provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

**7.4 Power of Attorney.** Each Owner shall, upon becoming an Owner of a Unit, execute a power of attorney in favor of the Association, irrevocably appointing the Association his or her attorney-in-fact to maintain, repair and improve the Building in general and the Limited Common Elements, to deal with the Owner's Unit upon its destruction or obsolescence and regarding insurance proceeds as is provided in the Declaration. The purpose of such execution shall be more fully to evidence such appointment, but failure to execute such power of attorney shall in no way derogate from the appointment provided in the Declaration.

**7.5 Working Capital Contribution.** Each Owner shall pay to the Association a contribution to its working capital fund in the manner and amount as provided in the Declaration, and such working capital fund shall be used by the Association for any expenses of operation or shall be placed in reserve for any purpose.

**7.6 Assessment Obligation.** Each Owner is obligated to pay the assessments imposed on such Owner's Unit by the Association and to pay the common expenses of the Condominium as provided in the Declaration. Except for special assessments levied against particular Units, all assessments for common expenses shall be assessed to Owners. Each Owner's share of the common expenses shall be determined on a Pro Rata Basis.

**7.7 Association Funds.** All funds paid to the Association, whether as contribution to working capital or as assessments, shall be the common property of the Association, held in trust for the benefit of the Owners, in the accounts to which such funds are from time to time allocated by the Board.

**7.8 Rules and Regulations.** The Board or the Association may adopt rules and regulations necessary or advisable for the proper administration of the Condominium and the Marina. The rules and regulations may be amended by the Board (or by the Owners in the same manner as amending these Bylaws), and such rules and regulations shall be deemed a part of these Bylaws.



## ARTICLE 8.

### BYLAWS

Bylaws (and amendments thereto) for the administration of the Association and the Condominium, and for other purposes not inconsistent with the Condominium Statute or with the intent of the Declaration, shall be adopted by the Board at its first meeting. Thereafter the Bylaws may be amended by the Association by concurrence of Owners of Units to which sixty-seven percent (67%) of the votes in the Association are allocated and who are present and entitled to vote at a regular or special meeting. Notice of the time, place and purpose of such meeting shall be delivered to each Owner at least ten (10) days prior to such meeting.

## ARTICLE 9.

### MORTGAGES

9.1 **Notice to Association.** An Owner may not sell, transfer, mortgage or convey his or her interest in a Unit or Marina Slip without the express written consent of the Association, which consent will not be unreasonably withheld. An Owner who mortgages his Unit shall notify the Association through the Managing Agent, if any, or the Secretary, giving the name and address of his mortgagee. The Association shall maintain such information in a book or list entitled "Mortgagees of Units."

9.2 **Notice of Unpaid Assessments.** The Association shall at the request of a mortgagee of a Unit report any unpaid assessments due from the Owner of such Unit.

## ARTICLE 10.

### EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND COMPLETION REQUIREMENT

10.1 **Proof of Ownership.** Any person on becoming an Owner of a Unit shall furnish to the Managing Agent or Board a photocopy of a certified copy of the recorded instrument vesting that person with an interest or ownership, which instrument shall remain in the files of the Association.

10.2 **Registration of Mailing Address.** The Owners of each Unit shall have one and the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications; and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of an Owner or Owners shall be furnished by such Owners to the Secretary within five (5) days after transfer of title; such registration shall be in written form and signed by all of the Owners of the Unit or by such persons as are authorized to represent the interests of the Owners thereof. If no such address is registered or if all of the Owners cannot agree, then the address of the Unit shall be the registered address until another registered address is furnished as permitted under this Article. Registered addresses may be changed from time to time by similar designation.

10.3 **Completion Requirement.** The requirements contained in this Article shall be first met before any Owner of a Unit shall be deemed in good standing or entitled to vote at any annual or special meeting of Members.

ARTICLE 11.

CONFLICT WITH DECLARATION OR LAW


These Bylaws are intended to comply with and supplement the requirements of the Condominium Statute and the Declaration. If any of these Bylaws conflict with the provisions of the Condominium Statute or Declaration, the provisions of the Condominium Statute and Declaration will apply.

ARTICLE 12.


NONPROFIT ASSOCIATION

This Association is not organized for profit. No Member, member of the Board or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operations thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, be distributed to or inure to the benefit of any members of the Board. The foregoing, however, shall neither prevent nor restrict the following: (1) reasonable compensation may be paid to any Member or manager while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association and (2) any Member or Board member may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ADOPTED AS OF this 14 day of April, 1993.

  
\_\_\_\_\_  
Gerald Hansen, Secretary

ATTEST:

  
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William Taylor, President