

AMENDED BYLAWS
OF
CHELAN RIDGE COMMUNITY ASSOCIATION

ARTICLE I

PURPOSE

The purpose of these Amended Bylaws is to provide for the administration of Chelan Ridge Community Association, which is governed by the Declaration of Restrictive Covenants recorded under Chelan County Auditor's No. 9010020001 (the "Declaration"), or as amended from time to time. In the case of any conflict between the Declaration and these Amended Bylaws, the Declaration shall control.

ARTICLE II

DEFINITIONS

"Articles" shall mean the articles of incorporation of the Association defined below.

"Association" shall mean Chelan Ridge Community Association, a non-profit corporation organized and existing under the laws of the State of Washington.

"Board" shall mean the board of directors of the Association.

"Bylaws" shall mean the bylaws of the Association, as they may from time to time be amended.

"Common areas" shall mean land and/or facilities which the Association owns and/or maintains.

"Member" shall mean an owner or purchaser of real property located within Lots 1 through 48, inclusive, Plats of Chelan Ridge and Chelan Ridge Division II, Chelan County, Washington, according to the plats thereof recorded in Volume 9 of Plats, pages 71, 72 and 73, and Volume 25 of Plats, pages 16 and 17, records of Chelan County, Washington.

"Moorage owner" means an owner or purchaser of a moorage slip.

“Moorage slip” means one of the 24 spaces on the dock where boats can be moored.

“Person” shall mean an individual, corporation, partnership, association, trustee or other legal entity.

Form of Words. The singular form of words shall include the plural and the plural shall include the singular. Masculine, feminine and neuter pronouns shall be used interchangeably.

ARTICLE III

MEMBERSHIP

3.1 Class of Members. The corporation shall have one class of members. The qualifications and rights shall be as follows:

(a) Every owner or purchaser of a residential lot in Chelan Ridge shall be a member.

(b) Membership shall include an obligation to comply with and be bound by the Articles of Incorporation, these bylaws and amendments to them, and the policies, rules, and regulations at any time adopted by the corporation in accordance with these bylaws.

(c) The privileges and facilities of the Association shall be extended to the spouse and children of a member and, further, may be extended to guests of members under such rules and regulations as the Board of Directors of the Association may hereafter prescribe.

3.2 Membership Transfer. The membership shall be inseparably appurtenant to the lots owned or being purchased by the members and upon the transfer of ownership or the making of a contract for the sale thereof, the membership appurtenant thereto shall be deemed to be transferred to the contract purchaser or grantee. No membership may be conveyed or transferred in any other way inter vivos. In the event of the death of a member, his membership shall pass in the same manner and to the same persons as the lot may transfer.

3.3 Membership Termination. No membership shall be forfeited nor any member expelled except for the nonpayment of dues, then only subject to the discretion of the Directors upon a majority vote of the Directors, and no member may withdraw except upon transfer of title to or upon contracting for the sale of the lot to which his membership is appurtenant. No compensation shall be paid by the Association upon the expelling of a member or the transfer of membership and no member who is expelled or whose membership

is transferred shall be entitled to share or participate in any of the property or assets of the Association.

3.4 Voting Rights. Each member in good standing shall be entitled to vote on each matter submitted to a vote of the members. A member shall have one (1) vote for each residential lot of which he or she is a fee title owner.

(a) Real Estate Contract Purchaser. A purchaser under a real estate contract shall be deemed to be a "member" for purposes of voting and assessment.

(b) Joint Ownership. If any lot is held by two (2) or more persons under any form of joint ownership, the ownership shall be entitled to a single vote, and fractional votes shall not be allowed. If joint owners are unable to agree how their vote shall be cast, they shall lose their right to vote on the matter in question. The vote of any membership owned by one marital community may be cast by either spouse without the presentation of written authority from the absent spouse.

(c) Proxy. All votes shall be cast in person, or by proxy registered with the secretary.

(d) Mail. The Board of Directors is authorized to establish regulations providing for voting by mail.

(e) Voting Representative. A member may, by written notice to the board, designate a voting representative. The voting representative need not be a member of the Association. The designation may be revoked at any time by written notice to the board from a person having an ownership interest.

ARTICLE IV

BOARD OF DIRECTORS

4.1 General Powers. The affairs of the corporation shall be managed by the Board of Directors, subject to instructions of the members of the corporation at a regular meeting, or subject to the approval of the membership as expressed by a vote of the membership.

4.2 Number. The number of Directors who shall manage the affairs of this Association shall be not less than three (3). The exact number thereof to be fixed by the members of the Association from time to time, at any annual or special meeting called for that purpose.

4.3 Term. The Directors shall be elected for a term of one (1) year, or until a successor is duly elected and qualified. Each Director shall be a member in good standing or, if the member is an entity, such as a corporation or limited liability company, any officer or member of that entity is qualified to be a Director of this Association.

4.4 Ownership Condition. In the event a Director can no longer qualify as a member, he shall automatically cease to be a Director, and his board position shall become vacated without the necessity of any action by the Board.

4.5 Vacancy. Any vacancy occurring in the Board of Directors may be filled by appointment by a majority of the remaining Directors. The Director appointed to fill a vacancy shall hold office until the next annual meeting of the membership.

4.6 Regular Meetings. The Board of Directors shall meet annually following the annual meeting of the members, on fourteen (14) days written notice, at such place and hour as may be fixed in the notice.

4.7 Special Meetings. Special meetings of the Board of Directors shall be held when called by the president, or by a majority of the Board of Directors after not less than seven (7) days' written notice to each director.

4.8 Quorum. A majority of the Directors shall constitute a quorum for the transaction of any business. The affirmative vote of the majority of directors present at a meeting where a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

ARTICLE V

MEMBERSHIP MEETINGS

5.1 Annual Meeting. The annual meeting of the membership shall be held on the first Saturday in October of each year at the hour of 6:00 p.m. The annual meeting shall take place at such location as the Board of Directors may select. If appropriate facilities are not available at Chelan Ridge, the annual membership meeting shall be held at a site within twenty (20) miles of Chelan Ridge. Written or printed notice stating the place, date and hour of the meeting shall be mailed by first-class mail not less than (14) nor more than sixty (60) days prior to the date of the meeting, by or at the direction of the President or the Secretary of the Association, or the officer or persons calling a special meeting.

5.2 Addresses. The owners of each Lot shall Provide the Secretary of the Association with an address to which all notices may be addressed. In the event of joint ownership of Lot, said joint owners shall designate one of their number as their agent for Purposes of receiving all notices and other communications from the Association.

5.3 Annual Meeting Agenda. At the annual meeting, the members shall elect a Board of Directors as herein provided for terms of one (1) year and transact such other business as may properly come before them.

5.4 Special Meetings. Special meetings of the members may be called by the President or a majority of the Board of Directors. In addition, special meetings may be called by members having one-tenth (1/10) of the votes entitled to be cast. Notice of any special meeting shall be given in the manner provided above, and, in addition, shall state specifically the purpose or purposes for which the special meeting is called.

5.5 Written Proxies Authorized. At any meeting of the members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after six (6) months from the date of its execution, unless otherwise provided in the proxy.

5.6 Quorum. To constitute a quorum at the annual meeting, twenty-five per cent (25%) of the votes must be present in person or by written proxy. The quorum for a special meeting shall be fifty percent (50%) of the votes present in person or by written proxy.

5.7 Voting by Mail. Where directors or officers are to be elected by members, or where there is an act requiring the vote of the members, such election or vote on such proposed action may be conducted by mail in such manner as the Board of Directors shall determine.

ARTICLE VI

DIRECTORS

6.1 Duties. Subject to any limitation in the Articles of Incorporation and these Bylaws, and the laws of the State of Washington, all the business and affairs of the Association shall be controlled and conducted by the Board of Directors. Without prejudice to such general powers, and subject to the same limitations, it is hereby expressly agreed that the Directors shall have the following duties:

(a) To elect and remove all of the officers, agents, and employees of the Association, prescribing such powers and duties for them as may be consistent with the laws of the State of Washington, the Articles of Incorporation, and these Bylaws, and to fix their compensation, if any, and require from them security for faithful performance.

(b) To cause to be kept a complete record of all minutes and acts and to present a full statement to the regular annual meeting of the members showing in detail the condition of the affairs of the Association; to cause to be kept a complete membership of all members.

(c) To fix and establish the annual dues and any other special assessments in accordance with these Bylaws, the Articles of Incorporation, and the Declaration of Restrictive Covenants applicable to Chelan Ridge.

(d) To suspend the voting rights of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association.

(e) To appoint an architectural control committee, a dock committee, or any other committee deemed necessary.

6.2 Managing Agent. The board may contract with a professional managing agent to assist the board in the management and operation of the Association and may delegate such of its powers and duties to the managing agent as it deems to be appropriate, except as limited herein.

6.3 Protection of Property. The board may spend such funds and take such action as it may from time to time deem necessary to preserve the property, settle claims, or otherwise act in what it considers to be the best interests of the Association. The board shall, with thirty (30) days written notice to members, have the right to grant permits, licenses and easements over the common areas for utilities, roads, and other purposes reasonably necessary or useful for the property maintenance or operation of the Association.

6.4 Compensation. Members of the Board of Directors shall receive no compensation for their services to the Association in the capacity as Director. However, Directors may be reimbursed for such reasonable expenses as they may necessarily incur in the pursuance of the business of the Association. Furthermore, the Directors may be compensated for their services as Directors of the Association if such compensation is approved in advance by a majority of the votes cast at the annual meeting.

ARTICLE VII

OFFICERS

7.1 Election or Appointment. The Board of Directors at its annual meeting immediately following the annual meeting of the members shall elect a President, Vice

President, Secretary and Treasurer, each of whom shall be members of the Association. The Board may, in its discretion, combine any two officers except that of President and Secretary.

7.2 Term of Officers. The officers of the corporation shall be elected annually and each shall hold office for one (1) year unless they shall sooner resign, be removed, or otherwise become disqualified to serve.

7.3 Special Appointments. The Board may elect such other officers as the affairs of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine. The Board may also at any time appoint an executive secretary or an assistant secretary and/or assistant treasurer who need not have membership in the Association.

7.4 Removal. Any officer may be suspended or removed by the following procedure: First, a resolution passed by a majority of the Board of Directors recommending the suspension or removal of such officer; and, second, a majority vote of the membership at a special meeting called for the specific purpose of considering such suspension or removal.

7.5 Vacancies. A vacancy in any elected or appointed office may be filled by Board of Directors upon a majority vote thereof. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

7.6 Compensation. Officers shall be reimbursed by the Association for such reasonable expenses as they may necessarily incur in pursuance of the business of the Association. The Board of Directors may authorize compensation for any officer upon approval by two-thirds (2/3) of the board.

ARTICLE VIII

DUTIES OF OFFICERS

8.1 President. The President shall act as Chairman at all meetings of the members and preside at all meetings of the Board of Directors. He shall sign as President all contracts or instruments for the Association and perform such other duties as may be required of him by the Board of Directors.

8.2 Vice President. The Vice President shall preside at all meetings in case of the absence or disability of the President and assume all duties of the President during such periods of absence or disability and shall perform such other duties as the Board of Directors may require.

8.3 Secretary. The Secretary shall issue all notices and shall attend and keep the minutes of all meetings of the members of the Board. He shall have charge of all

Association books, records, papers and the Association's seal. He shall attest with his signature and impress with the Association's seal all instruments executed for the Association. He shall perform all such other duties as are incidental to his office or as may be required by the Board of Directors.

8.4 Treasurer. The Treasurer shall receive, keep safely and deposit in such bank or banks as may be designated by the Board of Directors, all funds, securities and liquid assets of the Association, in its name, and for its account. He shall disburse the funds of the Association only under the direction of the Board of Directors on checks signed by himself and one other officer of the Association. He shall keep full and accurate books of account and shall make such reports of the finances and transactions of the Association as may be required by the Board of Directors and shall prepare and present to the annual meeting of the members a full statement showing in detail the financial condition of the affairs of the Association.

ARTICLE IX

DUES

9.1 Annual Dues Authorized. The Board of Directors shall have the authority to establish, charge, and assess annual dues for each lot or parcel in Chelan Ridge. Such dues may be modified by the affirmative vote of a majority of the Board of Directors at the annual meeting each year; provided, however, that such amendments shall be subject to the limitations set forth in the Declaration of Restrictive Covenants; provided, further, that the membership by an affirmative vote of two-thirds (2/3) may also amend the dues at the annual meeting or at any special meeting called for the specific purpose of modifying or amending the dues.

9.2 Payment of Annual Dues. On or before the first day of January, each Member shall pay or cause to be paid to the treasurer of the Association the dues against the Member for that calendar year. Any dues not paid by the first day of the calendar month for which it is due shall be delinquent and subject to late charges, interest, charges, and collection procedures as provided in Article X.

9.3 Proceeds Belong to Association. All dues and other receipts received by the Association on behalf of the Association shall belong to the Association.

9.4 Failure to Assess. Any failure by the board or the Association to make the budget and assessments hereunder before the expiration of any year shall not be deemed a waiver or modification in any respect of the provisions of this declaration, or a release of the owners from the obligation to pay dues during that or any subsequent year and the quarterly dues amount established for the preceding year shall continue until a new dues amount is established.

9.5 Certificate of Unpaid Assessments. Upon the request of any Member or mortgagee, the board will furnish a certificate stating the amount, if any, of unpaid dues charged to the Member. The certificate shall be conclusive upon the board and the Association as to the amount of such indebtedness and the date of the certificate in favor of all purchasers and mortgagees who rely on the certificate in good faith.

9.6 Special Assessments. If a special assessment becomes chargeable against a Member under the authority of these Bylaws, the board shall determine the amount of such special assessment and fix the month or months in which it is to be paid. Said special assessments shall be added to the Member's annual dues and be included in the assessment against the Member.

9.7 Voting Rights. All dues and assessments must be paid before the member or owner may vote at any meeting of members.

ARTICLE X

LIENS AND COLLECTION OF ASSESSMENTS

10.1 Liens. Any unpaid dues or assessment shall become past due after thirty (30) days following the due date and shall thereafter constitute a lien upon the lot of any member who has not paid. All liens shall be enforced in the same manner as a materialman's lien under RCW Chapter 60.04, or as hereinafter amended.

10.2 Assessments Are Personal Obligation. In addition to constituting a lien upon the lot of any Member and all of its appurtenances, all sums assessed by the Association chargeable to any Member (together with interest, late charges, costs and attorney's fees) shall be the personal obligation of the Member (or the joint and several personal obligation of each Member, if there is more than one owner) when the assessment is made. Suit to recover personal judgment for any delinquent assessments shall be maintainable without foreclosing or waiving the lien securing them.

10.3 Assessment Allocation. The assessment allocation shall be on a per lot basis, irrespective of the size of the particular lot.

10.4 Late Charges and Interest on Delinquent Assessments. The board may from time to time establish late charges and a rate of interest to be charged on dues or assessments that may thereafter become delinquent. In the absence of an established rate, all delinquencies shall bear interest at the rate of twelve percent (12%) per annum (or the then highest interest rate that is non-usurious). If annual dues against a Member are not paid when due, the board may elect to declare all assessments against the Member for the remainder of the fiscal year to be immediately due and payable.

10.5 Recovery of Attorney's Fees and Costs. In an action to collect delinquent assessments, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs incurred.

10.6 Additional Remedies. No Member or purchaser shall be relieved of any liability for the assessments provided herein by non-use of the properties described in these Bylaws. In addition, any Member who fails to make any of the assessments specified in these Bylaws will forfeit any voting rights until such time as the assessments are brought current.

10.7 Remedies Cumulative. The remedies provided herein are cumulative and the board may pursue them, and any other remedies which may be available under law although not expressed herein, either concurrently or in any order.

ARTICLE XI

DOCK MOORAGE

11.1 Description of Moorage Slips. An expanded dock structure shall be constructed with 23 moorage slips. Exclusive rights to a moorage slip shall require concurrent membership in the Association. The property upon which the expanded dock structure will be located is leased from the Department of Natural Resources. The dock structure is owned and maintained by the Association, but exclusive rights to use and occupy individual moorage slips will be conveyed to Association Members.

11.2 Sale of Moorage Slips. Each Member shall be given written notice of the opportunity to purchase exclusive rights to a single moorage slip. The terms of purchase shall be as follows:

(a) The total purchase price for a moorage slip shall be an equal share of the overall project costs. All deposits made by Members to continue participation in the dock project are non-refundable. Members who have not made dock deposit payments to the Association forfeit any right to a moorage slip unless they purchase such right from another participating Member. Members will be transferred exclusive rights to the moorage slips once dock construction is complete and at the time the full share of project costs associated with each purchased slip have been paid to the Association.

(b) Assignment of the actual moorage slip spaces among the purchasers shall all be determined based on a lottery draw that will be administered by the Board upon completion of the dock construction. All slip assignments established by the lottery are final but Members may choose to trade slips amongst themselves. If a majority of

moorage owners vote to request reassignment, the Board may vote to reassign slips utilizing the lottery draw method.

(c) Members exclusive right to use and occupy their moorage slip shall be conveyed by the Association in the form of an exclusive license. All Members assigned a moorage slip in the lottery shall execute the Association's License Agreement.

11.3 Transfer of Moorage Slip. No owner of exclusive rights to a moorage slip shall sell, gift, devise, or otherwise transfer a moorage slip to any non-member. Members may transfer ownership of their exclusive rights to a moorage slip to another Member in the Association so long as Members do not obtain rights to more moorage slips than lots they own or are purchasing.

(a) Transfer of a moorage slip shall only be effectuated through execution of the Association Moorage Slip Assignment form.

11.4 Maintenance of Common Areas. The Association shall keep the common areas of the dock clean, and make all necessary repairs to make the dock and slips safe. Cleaning and repair costs will be paid by the Association out of funds collected by Dock Moorage Dues.

11.5 Association Improvements. The board shall have the authority to arrange for and supervise any additions, improvements or repairs to the moorage dock, subject to the following limitations:

(a) No adaptations or improvements will negatively affect the dock structure.

(b) If the estimate cost of any separate additions, improvements or repairs exceed \$10,000, the approval of a majority of the Moorage Owners shall be required. If such estimate cost exceeds \$25,000, the approval of two-thirds (2/3) of the Moorage Owners in the Association shall be required.

11.6 No Alteration of Dock. No structural changes, remodeling, additions, or other alternations shall be made by any Member, except upon the prior written consent of a majority of the Board of Directors.

11.7 Entry. The Association and its agents or employees may enter any areas to effect repairs, improvements, replacements, maintenance or sanitation work deemed by the board to be necessary. Should moorage owners fail to timely make necessary repairs or perform necessary maintenance, the Association shall have the right to enter and complete said

maintenance and/or repairs (or to hire an agent to do so) the cost and expense of which shall be billed as additional dues to the moorage owner.

11.8 Maintenance of Moorage Slips. Each moorage owner shall, at the owner's sole expense, keep the moorage slip and surrounding area in a clean and sanitary condition, and in good order, condition and repair. The moorage owner shall be solely responsible to make repairs resulting from that owner's or their invitee's or guest's negligence, misuse or neglect.

11.9 Liens. All moorage owners shall keep the dock and all other common areas free from any liens arising out of any work performed for, materials furnished to, or obligations incurred by the moorage owners, and shall hold the Association harmless against the same.

11.10 Maximum Boat Length. The maximum length of any boat moored in any moorage slip shall be twenty-eight (28) feet unless otherwise approved by the board.

11.11 Risk. All personal property and fixtures of any kind or description whatsoever on or near the dock shall be at the moorage owner's sole risk, and the Association shall not be liable for any damage done to or loss of such personal property and/or fixtures.

11.12 Lease. Without the prior written consent of a majority of the board, no moorage owner shall lease their slip to a non-member. Said consent shall not be unreasonably withheld.

11.13 Insurance. All moorage owners mooring a vessel at their slip shall maintain public liability insurance on their slips in the minimum limit of \$300,000 for property damage and in the minimum of \$300,000 for bodily injury and death, shall name the Association as an additional insured, and shall furnish the Association a certificate indicating that the insurance policy is in full force and effect and that the Association has been named as an additional insured. Said insurance policy may not be canceled unless ten (10) days' prior written notice of the proposed cancellation has been given to the Association.

11.14 Dangerous Material. No moorage owner shall keep, have in the area surrounding the slip, or allow others to keep any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire or environmental contamination.

11.15 Indemnity/Hold Harmless. All moorage owners agree that at the sole option of the Association, they shall either indemnify or shall defend and hold the Association, its officers, employees, and agents harmless from all claims for damages to persons or property occurring on or near the moorage slips, and caused by the negligence of the moorage slip

owners, their agents or invitees. All moorage slip owners waive their immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement.

11.16 Environmental/Hold Harmless. All moorage owners agree that at the sole option of the Association, they shall either indemnify or shall defend and hold the Association, its officers, employees, and agents harmless from all costs or liabilities arising from any environmental contamination or noncompliance with any applicable federal, state or local environmental law, regulation or ordinance now or hereafter in force, resulting from the acts and/or omissions of the moorage owners, their agents or invitees.

11.17 Dock Moorage Dues. In addition to the dues and assessments set forth in Article IX, all moorage owners shall be responsible to pay annual moorage dues, which amount shall be determined by a majority of the moorage owners, and approved by the Board. Cleaning and maintenance of the dock will be paid out of dock moorage dues.

11.18 Delinquent Assessments - Moorage. If assessments are more than thirty (30) days delinquent for a moorage slip which is rented, the Association may collect from any tenant so much of the rent for the moorage slip as is required to pay any amounts due for assessments, plus interest and costs. The payment to the Association will discharge the tenant's obligation to the Member for rental of the moorage slip.

11.19 Attorney's Fees and Costs. In the event the Association or a moorage owner retains an attorney to enforce any covenant or term of these Amended Bylaws, or to pursue any other remedy as provided by law, the prevailing party shall be entitled to recover a reasonable sum for attorney's fees and all other costs and expenses in connection with such action, which sum shall be included in any judgment or decree entered.

11.20 Venue. The venue of any action instituted to enforce these Bylaws or any portion thereof, shall be in Chelan County, State of Washington.

ARTICLE XII

AUDITS/RECORDS

12.1 Books and Records. The board shall cause to be kept complete, detailed, and accurate books and records of the receipts and expenditures of the Association, in a form that complies with generally accepted accounting principles.

12.2 Inspection of Association Documents, Books and Records. The Association shall make available to owners, mortgages, prospective purchasers, prospective

mortgagees, and the agents or attorneys of any of them, current copies of the Articles, Bylaws and other rules governing the Association, and other books, records, and financial statements of the Association. "Available" shall mean available for inspection upon request, during normal business hours or under reasonable circumstances. The requesting party shall pay a reasonable charge to cover the cost of making copies.

12.3 Audits. An owner, at his or her expense, may at any reasonable time conduct an audit of the books of the board and Association.

ARTICLE XIII

AMENDMENTS

13.1 These Bylaws may be amended at any time by a two-thirds (2/3) majority vote of the membership of the Association. A Member may propose amendments to the Bylaws to the board. A majority of the members of the board may cause a proposed amendment to be submitted to the Members of the Association for their consideration. If an amendment is proposed by Members of twenty percent (20%) or more of the residential lots in the Association, then, irrespective of whether the board concurs in the proposed amendment, it shall be submitted to the Members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment.

ARTICLE XIV

INDEMNIFICATION

_____14.1 Each board member, association committee member, association officer, and managing agent shall be indemnified by the Association against all expenses and liabilities, including attorney's fees and costs, reasonable incurred by or imposed in connection with any proceeding to which they may be a party or in which they may become involved, by reason of holding or having held such position, whether or not they hold such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance as the board deems advisable.

14.2 Comprehensive Public Liability Insurance. The comprehensive policy of public liability insurance shall insure the board, the Association, the Members and the managing agent, and cover all of the common areas and facilities as defined in the Bylaws with a "severability of interest endorsement" or equivalent coverage which would preclude the insurer from denying the claim of a Member because of the negligent acts of the Association or of another Member, and shall cover liability of the insureds for property damage and bodily injury and death of persons arising out of the operation, maintenance, and use of the common areas and facilities, liability in connection with employment contracts of the Association, host liquor liability, employer's liability insurance, contractual and all-written contract insurance, comprehensive automobile liability insurance, and such other risks as are customarily covered with respect to residential associations. The limits of liability shall be at least \$_____ covering all claims for personal injury and/or property damage arising out of a single occurrence.

14.3 Limitation of Liability.

(a) Liability for Utility Failure, etc. Except to the extent covered by insurance obtained by the Association, neither the Association, the board, its officers, nor the managing agent shall be liable for the failure of any utility or other service to be obtained and paid for by the board; or for injury or damage to persons or property caused by the elements, or resulting from electricity, water, rain, dust, wind, or sand which may leak or flow from outside or from any parts of the property or buildings, or from any other pipes, drains, conduits, appliances, or equipment, or from any other place; or for inconvenience or discomfort resulting from any action taken to comply with any law, ordinance, or orders of a governmental authority. No diminution or abatement of common expense assessments shall be claimed or allowed for any such utility or service failure, or for such injury or damage or for such inconvenience or discomfort.

ARTICLE XV

COMMON AREA

15.1 The Association shall own and maintain certain common area as conveyed to the Association. The Association, in addition to maintaining said common area, will pay all taxes and assessments owing to Chelan County and will be fully responsible for said common area.

ARTICLE XVI

CORPORATE SEAL

16.1 The Association shall have an Association seal. It shall be in circular form and shall be affixed in these Bylaws by the impression of said Association seal in the space to the right of this paragraph.

These Amended Bylaws are duly adopted by the Association and the official Association seal affixed hereon this ____ day of _____, 20____.

Secretary