

**BYLAWS OF  
SILVER CREEK CONDOMINIUM ASSOCIATION**

**ARTICLE 1. MEMBERSHIP**

1.1 Qualification for Membership. Each unit owner (including the Declarants) shall be a member of the Association and shall be entitled to one membership for each unit owned. If a unit has been sold under a real estate contract, the contract purchaser shall exercise the rights of the unit owner and shall be the voting representative unless otherwise specified in the real estate contract. Ownership of a unit shall be the sole qualification for membership in the Association.

1.2 Transfer of Membership. The membership of each unit owner (including Declarants) in the Association shall be appurtenant to the unit giving rise to such membership, and shall not be transferred in any way except upon the transfer of title to the unit and then only to the transferee. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a unit shall operate automatically to transfer membership in the Association to the new owner.

1.3 Number of Votes. The total voting power of all the owners shall be 100 votes and the number of votes available to the owner of any one unit shall be equal to the percentage of undivided interest in the common areas and facilities appertaining to the unit as described in exhibit 2 to the Declaration. If a person owns more than one unit, he shall have the votes appertaining to each unit owned.

1.4 Voting Representative. A unit owner may, by written notice to the Board, designate a voting representative for the unit. The voting representative need not be an owner. Except where the designee is a mortgagee of a unit and except as provided in section 31 of the Declaration, the designation may be revoked at any time by written notice to the Board from a person having an ownership interest in the 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. This power of designation and revocation may be

exercised by the guardian of a unit owner, the attorney-in-fact for the owner under a durable power of attorney or under section 31 of the Declaration, or the personal representative of the owner's estate.

1.5 Multiple 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 unless a contrary written designation of voting representative has been filed with the Board. The vote for a unit may not be divided into partial votes. If no single voting representative has been designated per section 1.4 by the co-owners of a unit with multiple owners, and the co-owners are unable to agree on how the unit's vote shall be cast, then the unit shall lose its right to vote on the matter in question.

1.6 Pledged Votes. A unit owner may, but shall not be obligated to, pledge his vote on all issues or on certain specific issues to a mortgagee. If an owner is in default under the first mortgage on his unit for 90 consecutive days or more, his mortgagee shall automatically be authorized to declare at any time thereafter that the unit owner has pledged his vote on all issues to the mortgagee during the continuance of the default. If the Board has been notified of any such pledge to a mortgagee, only the vote of the mortgagee will be recognized on the issues that are subject to the pledge.

1.7 Annual Meetings. There shall be an annual meeting of the members of the Association in the first quarter of the fiscal year at such reasonable place and time as is designated in a written notice from the Board; provided that the Association may (1) hold the annual meeting for 1990 in the latter half of 1990, and/or (2) combine the annual meetings for 1990 and 1991 into a single meeting, to be held either in 1990 or 1991. At the annual meeting the audited financial statement for the preceding year and the budget the Board has adopted for the current year shall be presented, the new Board shall be elected, and other business may be transacted. Any first mortgagee of a unit may attend or designate a representative to attend any annual meeting of the Association.

1.8 Special Meeting. The president of the Association, the Board of Directors, or owners having 35% of the total voting power of the Association shall have the power to call a special meeting of the members. The president of the Association shall have the responsibility for calling such a meeting upon receipt of a written resolution of the Board, a written request signed by a majority of the Board members, or a written request from owners holding at least 35% of the voting

power of the Association. The president shall set such a meeting at a time not less than 15 nor more than 30 days after he or she receives the written request. Any first mortgagee of a unit may attend or designate a representative to attend any special meeting of the Association.

1.9 Notice. Written notice stating the place, day, and hour of the annual meeting and, in the case of the special meeting, the purpose for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by fax or mail, at the direction of the president, the secretary, or the persons calling the meeting, to each member and to each mortgagee entitled to receive such notice under the Declaration. If mailed, such notice shall be deemed delivered when deposited in the United States mail, postage prepaid, addressed to the member at his address as it appears on the records of the Association.

1.10 Quorum. The presence in person or by proxy of members of the Association or voting representatives holding 50% of the total voting power shall constitute a quorum for the transaction of business at any meeting of the members of the Association.

1.11 Proxies. Any owner or voting representative may vote by proxy. Proxies shall be in writing, signed by the owner or voting representative, and filed with the Board. Proxies may be revoked at any time by written notice to the Board.

1.12 Majority Vote. Except as otherwise provided by statute, the Declaration, or these bylaws, passage of any matter submitted to a vote at the meeting where a quorum is present shall require the affirmative vote of more than 50% of the voting power present.

## ARTICLE 2. BOARD OF DIRECTORS

2.1 General Powers. The business and affairs of the Association shall be managed by the Board.

2.2 Number, Tenure and Qualifications. Initially there shall be two directors, as provided in the Articles of Incorporation. Upon the first meeting of the members to elect directors (which is anticipated but not required to coincide with the Transition Date), the number of directors shall increase to five. Each director shall serve from the time of his election until his successor is elected at the next annual

meeting of the members of the Association. There is no restriction on the number of terms a director may serve, consecutively or otherwise.

2.3 Removal of Directors. At any regular or special meeting after the Transition Date, any one or more of the directors may be removed, with or without cause, by the holders of a majority of the total voting power of the Association, and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

2.4 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 a 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.

2.5 Regular Meetings. The Board may adopt and from time to time modify a regular meeting schedule and whenever so adopted or modified, shall give notice of the time and place of the meetings to the membership.

2.6 Special Meetings. Special Board meetings may be called by or at the request of the President or any two directors. Written notice of each special Board meeting shall be delivered personally, mailed, or faxed to each director at least three days before the meeting. If such notice is mailed, it shall be deemed to be delivered when deposited in the United States mail properly addressed, with postage prepaid. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

2.7 Open Meetings. Any apartment owner or voting representative or representative of any eligible mortgage holder may attend any meeting of the Board, but shall not be entitled to participate.

2.8 Quorum. After the size of the Board is increased to five persons, three directors shall constitute a quorum for the transaction of business at any Board meeting. The act of a

majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

2.9 Presumption of Assent. A director of the Association present at a Board meeting at which action on any matter is taken shall be presumed to have assented to the action taken unless his dissent or abstention is entered in the minutes of the meeting or unless he files a written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof or unless he forwards such dissent or abstention by certified mail to the secretary of the Association immediately after the adjournment of the meeting. A director who voted in favor of such action may not dissent.

### ARTICLE 3. OFFICERS

3.1 Number. The officers of the Association shall be a president, a vice president, a secretary, and a treasurer, each of whom shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. Any two or more offices may be held by the same person, except the offices of president and secretary.

3.2 Election and Term of Office. The officers of the Association shall be elected annually by the Board at the board meeting held after the annual meeting of the members. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as a Board meeting conveniently may be held. Each officer shall hold office until a successor is elected, unless he resigns or is removed.

3.3 Removal. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Association would be served thereby.

3.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board for the unexpired portion of the term.

3.5 President. The president shall be the principal executive officer of the Corporation and, subject to the Board's control, shall supervise and control all of the business and affairs of the Corporation. When present the president shall preside over all Board meetings. The president may sign deeds, mortgages, bonds, contracts or other instruments that the Board has authorized to be executed, except when the signing and execution thereof has been

expressly delegated by the Board or by these Bylaws to some other officer or agent of the corporation or is required by law signed or executed by some other officer or in some other manner. In general, the president shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board from time to time.

3.6 Vice President. In the absence of the president or in the event of his death or inability or refusal to act, the vice president (or in the event of more than one vice president, the vice president who was first elected to such office) shall perform the duties of the president, and when so acting shall have all the powers of and be subject to all the restrictions upon the president. Vice presidents shall perform such other duties as from time to time may be assigned by the president or by the Board.

3.7 Secretary. The secretary shall: (a) keep the minutes of membership and Board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these bylaws or as required by law; (c) be custodian of the Association records and (d) in general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the Board.

3.8 Treasurer. If required by the Board, the treasurer shall give a bond for the faithful discharge of duties in such sum and with such surety or sureties as the Board shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever; deposit all such monies in the name of the Association in such banks or other financial institutions prescribed by the Board or president; and in general 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 president or by the Board.

#### ARTICLE 4. CONTRACTS, LOANS, ACCOUNTS, BOOKS AND RECORDS

4.1 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of an on behalf of the Association, and such authority may be general or confined to specific instances.

4.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in

its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

4.3 Loans to Officers and Directors. No loans shall be made by the Association to its officers or directors.

4.4 Accounts. The Association shall establish the necessary accounts to provide for the operation and maintenance of the condominium. The Treasurer shall be responsible for overseeing these accounts. While the number and type of accounts are to be determined by the Board, the Association shall be required to maintain a reserve account to provide for the periodic maintenance, repair, and replacement of the common areas and facilities. The Board shall allocate an appropriate portion of the monthly assessments to fund this reserve account.

4.5 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. These records shall be available for inspection at reasonable times and places by any apartment owner, prospective purchaser or the holder of a mortgage on any apartment, or the agents or attorneys of any of them. In addition to financial records, the Secretary of the Association shall be responsible for maintaining the following corporate records: current articles and bylaws, a member list with names and addresses, a list of the names and addresses of officers and directors, and the minutes of any meetings of the membership or the Board or any written consent prepared in lieu of minutes.

#### ARTICLE 5. MANAGEMENT PRIOR TO TRANSITION.

5.1 Transition Date. The Transition Date shall be the date upon which the authority and responsibility to administer and manage the Association and the condominium passes to the Association. The Transition Date will be the earliest of (1) the date designated by the Declarants in a written notice to the unit owners, which may be any date after the Declaration has been recorded; (2) the 120th day after the Declarants have transferred title to purchasers of units representing 75% of the total voting power; or (3) the third anniversary of the recording of this Declaration.

5.2 Management Prior to Transition. Prior to the Transition Date, the Declarants shall have the power and authority to exercise all of the rights, duties, and functions of the Board and officers of the Association, including but not

limited to adopting and amending Bylaws and Rules and Regulations, contracting for the purchase of goods and services, buying insurance, and collecting and expending assessments and other Association funds. The Declarants shall have the power to contract with an experienced professional managing agent and delegate to the managing agent all the powers and duties of the Board that the Board is authorized to delegate under Section 16.4 of the Declaration. All such management contracts made by the Declarants shall be subject to the same requirements as are set forth in section 16.4 of the Declaration. Declarants may from time to time select or replace an interim Board of two to five directors who need not be unit owners, and who shall exercise all the powers, duties, and functions of the Board.

#### ARTICLE 6. MISCELLANY

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year, or such other fiscal year as the Board may elect from time to time.

6.2 Waiver of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, the Articles of Incorporation, the Washington Nonprofit Corporation Act, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

6.3 Definitions. Terms used in these bylaws shall have the same meaning as in the Declaration of Covenants, Conditions and Restrictions for Silver Creek, a Condominium, dated June 27, 1990.

6.4 Powers and Duties Not Exhaustive. The powers and duties of the Association, Board of Directors, and officers described in these bylaws are not intended TO BE exhaustive or exclusive. Other powers or duties may be authorized or imposed by the Declaration, by statute, by other legislation or regulation, by contract, or by general legal or equitable principles.

Adopted by Board of Directors on August 31, 1990.

Ralph F. Ryley  
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