

AMENDED AND RESTATED BYLAWS

OF

SILVER CREEK ASSOCIATION

ARTICLE 1. APPLICATION OF BYLAWS

These Bylaws are for the use and operation of the Silver Creek Association, a Washington nonprofit corporation ("Association") and shall apply to all present and future Owners of Lots and Living Units, and all others having a full or partial legal or equitable interest in a Lot or Living Unit, Mortgagees, lessees, tenants, licensees and occupants of Lots and Living Units, and their guests, invitees and employees, and any other persons using a Lot, Living Unit or any portion of Silver Creek and any other plat of real property which is made subject to the provisions of the Declaration of Covenants, Conditions, Restrictions and Easements for Silver Creek, recorded under Pierce County recording number 9612240018, and any amendments thereto ("Declaration"). Upon adoption of these Bylaws all previously adopted Bylaws are hereby revoked effective the date signed below. Unless the context requires otherwise, the terms used in these Bylaws shall have the same meaning as they are defined in the Declaration.

ARTICLE 2. PURPOSE AND POWERS

2.1 Purpose. The purpose of the Association is to own and manage open spaces, recreational facilities, and enforce the Association's covenants and other governing documents for the benefit of members in accordance with the Washington Homeowner's Association Act (RCW 64.38) and the Washington Uniform Common Interest Ownership Act (RCW 64.90), as applicable (collectively the "Act").

2.2 Powers. The Association shall have the powers enumerated in the Act and in the governing documents.

ARTICLE 3. REGISTRATION AND VOTING

3.1 Membership. Each Owner of a Lot or Living Unit is a member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot or Living Unit.

3.2 Registration of Owners. The Board shall maintain a register containing the names and addresses of Owners, their designated representatives and the holder or assignees of any voting rights or proxies that have been filed with the Association.

3.3 Evidence of Ownership. Any person becoming an Owner of a Lot or Living Unit, or acquiring an interest therein entitling that person to exercise voting rights, shall provide the Association with a copy of the recorded deed or other instrument vesting that person with title to the Lot or Living Unit, or an original or certified copy of the instrument vesting in that person title to the Lot or Living Unit.

3.4 Registration of Mailing Address. Each Owner shall notify the Association of an address in the United States of America to be used by the Association for purposes of notice ("Registered Address"). Multiple Owners of a Lot or Living Unit shall designate a single Registered Address to be used by the Association. Unless otherwise provided herein, the Registered Address shall be used for the mailing of statements, notices, demands and all other communications. New Owners of a Lot or Living Unit shall provide the Registered Address to the Association or manager within five (5) days after receipt of title or interest in a Lot or Living Unit. The registration shall be in written form and signed by the Owner or the Owner's agent. If no Registered Address is provided or if all of the Owners of the Lot or Living Unit cannot agree, then the address of the Lot or Living Unit shall be the Registered Address until the Registered Address is furnished as required under this Section.

3.5 Number of Votes. Owners of Lots shall be entitled to cast four (4) votes for each Lot owned and Owners of Living Units shall be entitled to cast one (1) vote for each Living Unit owned. Votes allocated to Lots or Living Units owned by the Association must be cast in the same proportion as the votes cast on the matter by Lot and Living Unit Owners other than the Association.

3.6 Joint Owner Disputes. If joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If more than allowed votes on a matter are cast by different Owners of a particular Lot or Living Unit, none of the votes cast for the Lot or Living Unit shall be counted and the votes shall be deemed void; provided that the vote of the Lot or Living Unit shall be counted for the purpose of constituting a quorum.

3.7 Owner Voting. Owners may vote at a meeting in person, by proxy, by absentee ballot or without a meeting by ballot, as provided in Sections 3.8, 3.9, 3.10 and 3.11.

3.8 Proxies. Votes allocated to a Unit or Living Unit may be cast pursuant to a directed or undirected proxy duly executed by an Owner in the same manner as RCW 24.06.110. An Owner may revoke a proxy given pursuant to this Section only by actual

notice of revocation to the Secretary or the person presiding over a meeting of the Association or by delivery of a subsequent proxy. The death or disability of an Owner does not revoke a proxy given by the Owner unless the person presiding over the meeting has actual notice of the death or disability. 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 eleven (11) months after its date of issuance.

3.9 Voting at a Meeting. Except as provided in Section 3.15, Owners or their proxies who are present in person may vote by voice vote, show of hands, standing, written ballot, or any other method for determining the votes of Owners, as designated by the person presiding at the meeting. If only one of the multiple Owners of a Lot or Living Unit is present, that Owner is entitled to cast the votes allocated to that Lot or Living Unit.

3.10 Absentee Ballot. Notwithstanding anything herein to the contrary, an Owner may vote on motions, proposals and the election of directors that are being considered at a meeting by absentee ballot if:

3.10.1 Voting by absentee ballot has been approved by the Board;

3.10.2 The name of each candidate and the text of each motion and/or proposal to be voted upon and a deadline by which the absentee ballot must be returned are set forth in a writing accompanying or contained in the notice of meeting;

3.10.3 A ballot is provided by the Association for such purpose. Any ballot provided by the Association for an election of directors by the Owners must designate a blank space for the Owners to cast a vote for one or more candidates;

3.10.4 The Association is able to verify that the ballot is cast by the Owner or person having the right to do so; and

3.10.5 If absentee ballots are permitted by mail or electronic transmission, the Association must designate an address location, or system to which the ballot may be mailed and/or electronically transmitted. All ballots submitted must be transmitted to the designated address, location, or system, in an executed electronically transmitted record. Owners voting by mail or electronic transmission are present for purposes of a quorum, count of votes, and percentages of total voting power present.

3.11 Voting Without a Meeting. Notwithstanding anything herein to the contrary, at the election of the Board, the Association may conduct a vote without a meeting if:

- 3.11.1 The Association notifies all Owners that the vote will be taken by ballot without a meeting;
- 3.11.2 The notice states (i) the time and date by which a ballot must be delivered to the Association to be counted, which may not be fewer than fourteen (14) days after the date of the notice, and which deadline may be extended as provided in Section 3.13, (ii) the percent of votes necessary to meet the quorum requirements, (iii) the percent of votes necessary to approve each matter other than election of directors; and (iv) the time, date and manner by which Owners wishing to deliver information to all Owners regarding the subject of the vote may do so;
- 3.11.3 The Association delivers with the notice (i) instructions for casting a ballot; (ii) a ballot in a tangible medium to every Owner except an Owner that has consented in a record to electronic voting; and (iii) if the Association allows electronic voting, instructions for electronic voting;
- 3.11.4 The ballot sets forth each proposed action and provides an opportunity to vote for or against the action. If the ballot is for the election of directors by the Owners, the ballot must designate a blank space for the Owners to cast a vote for one or more candidates;
- 3.11.5 The Association has designated an address location, or system to which the ballot may be mailed and/or electronically transmitted. All ballots submitted must be transmitted to the designated address, location, or system, in an executed electronically transmitted record.

The Association must give notice to Owners of any action taken pursuant to this Section within a reasonable time after the action is taken. A record of the action, including the ballots or a report of the persons appointed to tabulate such ballots, must be kept with the minutes of the Association.

3.12 Revocation of Ballot. A ballot cast pursuant to Section 3.10 or 3.11 may only be revoked if actual notice is received by the Association of the revocation. The death or disability of an Owner does not revoke a ballot unless the Association has actual notice of the death or disability prior to the date set forth for counting the ballots. Approval of a proposal pursuant to Section 3.11 is only valid if the number of votes cast

by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

3.13 Extension of Time. If the Association does not receive a sufficient number of votes to constitute a quorum or to approve the proposal by the date and time established for return of ballots under Section 3.11, the Board may extend the deadline for a reasonable period not to exceed eleven (11) months upon further notice to all members. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked.

3.14 Majority Vote. Unless otherwise provided to the contrary in governing law, these Bylaws or the Declaration, the number of votes required to pass any measure submitted for Owner approval shall be a majority of the votes cast.

3.15 Secret Ballots. Notwithstanding anything herein to the contrary, votes of Owners to elect directors, remove directors, or to amend the governing documents must be conducted by secret ballot.

ARTICLE 4. MEETINGS OF MEMBERS; NOTICE OF MEETINGS

4.1 Annual Meeting. There shall be an annual meeting of the Owners held in the last quarter of each year, to be held in Pierce County, Washington, at a convenient place, on a date and at a time fixed by the Board. At the annual meeting, the Owners shall fill vacancies in the Board and there shall be considered such other business as may come before the meeting. There shall be presented a financial statement of the Association in accordance with generally accepted accounting principles.

4.2 Special Meetings. Special meetings of the Owners may be called at any time for the purpose of considering matters which require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings may be called by the President, or after a signed request or resolution passed by a majority of the Board, or by Owners having at least ten percent (10%) of the votes in the Association. If the Association does not provide notice to the Owners of a special meeting within thirty (30) days after the requisite number or percentage of Owners request the Secretary to do so, the requesting members may directly provide notice to all the Owners of the meeting. The notice of special meeting shall state the purpose thereof.

4.3 Quorum. A quorum is present throughout any meeting of the Association if Owners holding ten percent (10%) of the votes of the Association are present in person or by proxy at the beginning of the meeting. If a meeting cannot be organized because a quorum of Owners entitled to vote is not present, then those Owners who are entitled to vote and are present may adjourn the meeting to such a time and place as they may

determine. When a meeting that has been adjourned for lack of a quorum is reconvened, those Owners entitled to vote who are present, although less than a quorum shall nonetheless constitute a quorum, if notice of the time and place of the reconvened meeting is provided to all Owners entitled to vote at least twenty-four (24) hours before the reconvened meeting, or by other method pursuant to the requirements and procedures set forth in RCW 24.03A.410. In the case of votes conducted by ballot under Section 3.10 or Section 3.11, Owners voting are considered present for purposes of quorum.

4.4 Order of Business. Unless otherwise suspended by Owners, the order of business at meetings of the Association shall include but not be limited to the following:

- 4.4.1 Call to order.
- 4.4.2 Roll call of Board and announcement of presence of quorum (or lack thereof).
- 4.4.3 Proof of notice of meeting (or filing of waiver).
- 4.4.4 Reading and approval of minutes. (Reading can be dispensed with if a copy of the proposed minutes is included in the meeting's notice.)
- 4.4.5 Reports of Officers.
- 4.4.6 Reports of the Board.
- 4.4.7 Reports of Committees.
- 4.4.8 Election of Directors (annual meeting or special meeting called for such purpose).
- 4.4.9 Unfinished business.
- 4.4.10 New business.
- 4.4.11 Adjournment.

4.5 Speaking Limits. Owners must be given a reasonable opportunity to comment regarding matters affecting the Property and the Association at meetings of the Association. At its discretion, the Board may set speaking time limits.

4.6 Notices of Meetings. Not less than fourteen (14) nor more than fifty (50) days in advance of any meeting, notice shall be provided to Owners. The notice shall state the time and place of the meeting and shall specify, to the extent known or

anticipated by the Board at the time of the notice, the general nature of the business to be conducted at the meeting. The Owners may discuss at a special meeting a matter not described in the notice of meeting, but no action may be taken on a matter not described in the meeting notice without the consent of all Owners.

4.7 Waiver of Notice. An Owner may waive notice as provided in RCW 24.03A.415(1). The attendance of an Owner at a meeting waives objection to lack of notice or defective notice of the meeting unless the Owner at the beginning of the meeting or immediately upon arrival at the meeting objects to holding the meeting or transacting business at the meeting.

4.8 Meetings Held by Telephonic, Video or other Conferencing Process. Notwithstanding anything herein to the contrary, meetings of the Association may be conducted by telephonic, video, or other conferencing process, provided that: (a) the meeting notice states the conferencing process to be used and provides information explaining how Owners may participate in the conference directly or by meeting at a central location or conference connection, (b) the process provides all owners the opportunity to communicate in real time to the same extent as if they were physically present in the same location, and (d) any person entitled to participate in the meeting is given the option of participating by telephone.

4.9 Minutes. Minutes of all Owner meetings must be maintained in a record. The decision of each matter voted on must be recorded in the minutes.

4.10 List of Owners. After fixing a record date for a meeting of Owners, the Association shall prepare a list of the names of all of the Owners. The list shall show the address of and number of votes each Owner is entitled to cast at the meeting. The address of Owners who are known to be participants in the address confidentiality program described in RCW 40.24 or other similar law may be omitted. The list shall be made available for Owners to copy two (2) business days after notice of the meeting is provided and be available for Owners to inspect during the meeting and any adjournment.

4.11 Parliamentary Authority. In the event of a dispute, unless as otherwise may be provided in the Declaration or these Bylaws, meetings are to be conducted in accordance with the most recent edition of Robert's Rules of Order.

ARTICLE 5. THE BOARD OF DIRECTORS

5.1 Number. The Association shall be administered and managed by a Board consisting of Seven (7) directors elected by the Owners. The number of directors may at any time be increased or decreased by amendment of these Bylaws, but no decrease shall have the effect of shortening the term of any current director.

5.2 Qualifications. Directors must be Owners in good standing.

5.3 Term of Office. Each director shall serve for a term of three (3) years. All directors not otherwise removed as provided herein shall hold office until their successors are elected and accept the position or attend their first Board meeting. In order to provide for continuity of the Board, the terms of directors shall be staggered so that the term of not more than three (3) directors expire in any year.

5.4 Board Powers. Unless otherwise limited in the Declaration, Articles of Incorporation or these Bylaws, the Board's powers shall include, but not be limited to:

- 5.4.1 Adopt and amend Bylaws and rules and regulations;
- 5.4.2 Adopt and amend budgets for revenues, expenditures, and reserves and impose and collect Assessments from Owners;
- 5.4.3 Hire and discharge or contract with managing agents and other employees, agents, and independent contractors;
- 5.4.4 Institute, defend, or intervene in litigation or administrative proceedings in the Association's name on behalf of itself or two (2) or more Owners on matters affecting the Association, but not on behalf of Owners involved in disputes that are not the responsibility of the Association;
- 5.4.5 Make contracts and incur liabilities;
- 5.4.6 Regulate the use, maintenance, repair, replacement, and modification of Common Areas;
- 5.4.7 Cause additional improvements to be made as a part of the Common Areas;
- 5.4.8 Acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property;
- 5.4.9 Grant easements, leases, licenses, and concessions through or over the Common Areas and petition for or consent to the vacation of streets and alleys;
- 5.4.10 Impose and collect any payments, fees, or charges for the use, rental, or operation of the Common Areas;

5.4.11 Impose and collect charges for late payment of Assessments and, after notice and an opportunity to be heard by the Board, or by the representative designated by the Board, and in accordance with the procedures as provided in these Bylaws or rules and regulations adopted by the Board, levy reasonable fines in accordance with a previously established schedule adopted by the Board and furnished to the Owners for violation of the governing documents of the association;

5.4.12 Deposit the monies of the Association in the name of the Association in such banks, trust companies or other financial institutions as the Board shall designate as authorized by law. Said funds may be drawn out in such manner as may be determined by resolution of the Board.

5.5 Nominations. At least thirty (30) days prior to providing notice of a meeting as provided in Section 4.6, or notice of vote without a meeting as provided in Section 3.11, where an election of directors will take place, the Association shall post a call for nominations on the Association's website. The call for nominations shall include a deadline for submission of nominations which shall be not less than two (2) weeks after the call for nominations has been posted on the Association's website. All Owners, including current and past directors, may nominate themselves or other Owners. However, only Owners who meet the qualifications to serve on the Board and have accepted the nomination prior to the date set for submitting nominations will appear on the ballot which shall be provided to Owners with the notice of meeting or notice of vote without a meeting.

5.6 Elections. A person who receives the most votes at an election of directors shall be elected regardless of whether such person receives a majority of the votes cast. At the election of directors each vacancy shall be filled by election separately from the election to fill another vacancy, and nominations shall be made separately for each vacancy. Cumulative voting is prohibited.

5.7 Vacancies. Any vacancies in the Board caused by any reason other than the removal of a director by a vote of Owners, shall be filled by the affirmative vote of a majority of the remaining directors, even though they may constitute less than a quorum. A director elected to fill any vacancy shall hold office for the unexpired term of their predecessor in office or until the next regularly scheduled election of directors, whichever is earlier.

5.8 Removal of Directors by Owners. Any director may be removed with or without cause by the affirmative vote of the lesser of (a) a majority of votes in the

Association, or (b) two-thirds (2/3rds) of the votes cast by Owners, at a meeting called for that purpose. The notice of meeting at which removal of a director is to be considered shall state the purpose, or one (1) of the purposes, of the meeting is removal of the director. A director who is being considered for removal must have a reasonable opportunity to speak before the vote for removal. If a director is voted to be removed, the Owners entitled to vote for the director may immediately elect a successor director.

5.9 Removal of Director by Board. The Board may, without an Owner vote, remove from the Board a director elected by the Owners if (a) the director is delinquent in the payment of Assessments more than sixty (60) days, and the director has not cured the delinquency within thirty (30) days after receiving notice of the Board's intent to remove the director, (b) a guardian has been appointed for the director under RCW 11.130.185 or 11.130.265, (c) a conservator has been appointed for the director under RCW 11.130.360, (d) who is subject to a written certification by their attending physician that in the physician's opinion the director is substantially unable to manage their financial resources or resist fraud or undue influence, (e) who has been convicted of a felony, (f) who has been found by a final order of any court of competent jurisdiction to have breached a duty as a director under RCW 24.03A.495, or (g) who has missed three (3) consecutive Board meetings. The removal must be recorded in the minutes of the next Board meeting.

5.10 Meetings of the Board. Without other notice than this Bylaw, a regular meeting of the Board shall be held immediately after the annual meeting of members. Subsequent meetings of the Board may be held at such time and place as shall be determined from time to time by the President or by a majority of the directors. The Board must provide a reasonable opportunity for Owners to comment regarding matters affecting the community and the Association. The Board may expel or prohibit attendance by any person who, after warning by the chair of the meeting, disrupts the meeting. If any materials are distributed to the Board before the meeting, the Board must make copies of those materials reasonably available to the Owners, except that the Board need not make available copies of unapproved minutes or materials that are otherwise privileged or that will be considered in executive session. Minutes of all Board meetings, excluding executive sessions, must be maintained in a record. The decision of each matter voted upon must be recorded in the minutes.

5.11 Executive Sessions. The Board may hold an executive session only during a regular or special meeting of the Board. A final vote or action may not be taken during an executive session. An executive session may be held only to: (i) consult with the Association's attorney concerning legal matters; (ii) discuss existing or potential litigation or mediation, arbitration, or administrative proceedings; (iii) discuss labor or personnel matters; (iv) discuss contracts, leases, and other commercial transaction to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the

Association at a disadvantage; or (v) prevent public knowledge of the matter discussed if the Board or committee determines that public knowledge would violate the privacy of any person.

5.12 Meetings by Telephonic, Video and Other Conferencing Process. The Board may meet by telephonic, video or other conferencing process provided that: (a) the meeting notice states the conferencing process to be used and provides information explaining how Owners may participate in the conference directly or by meeting at a central location or conference connection, (b) the process provides all Owners the opportunity to hear or perceive the discussion and a reasonable opportunity to comment regarding matters affecting the community and the Association, (c) any votes of the directors are conducted by roll call or other verbal vote, and (d) any person entitled to participate in the meeting is given the option of participating by telephone.

5.13 Notice of Board Meetings. Unless a Board meeting is included in a schedule given to the Owners or as provided in Section 5.10, the Association must provide notice of each Board meeting to each director and Owner at least fourteen (14) days before the meeting and must state the time, date, place and agenda of the meeting. Notwithstanding the foregoing and except as otherwise authorized by law, notice of a meeting to address an event or condition that could not have been reasonably foreseen and for which it is impracticable to provide notice as otherwise required must be given at least seven (7) days before the meeting and by means of electronic communication to Owners whose electronic address or phone number is known to the Association.

5.14 Waiver of Notice. A director may waive any notice before or after the date and time stated in the notice. Except as otherwise provided in this Section, the waiver must be in the form of a record, executed by the director entitled to the notice, and filed with the minutes or corporate records. A director's attendance at or participation in a meeting waives any required notice to the director of the meeting, unless the director at the beginning of the meeting or promptly upon arrival objects to holding the meeting or transacting business at the meeting and does not thereafter vote for the assent to action taken at the meeting.

5.15 Quorum. At all meetings of the Board, a majority of the total number of directors currently holding seats (vacant seats are not counted) shall constitute a quorum for the transaction of business.

5.16 Manner of Acting. The acts of the majority of the directors present at a meeting at which a quorum is present at the time a vote is taken shall constitute a decision of the Board.

5.17 Action by Board Without a Meeting. The Board may act by unanimous consent without a meeting only to undertake ministerial actions, actions subject to

ratification by the Owners or to implement actions previously taken at a meeting of the Board. Action taken under this Section is the act of the Board when one or more consents executed by all the directors entitled to vote are delivered to the President, Secretary, or to the Association's manager. In no event may the period between the date of the first signature by a director on such a consent and the date on which all directors have executed the consent be more than sixty (60) days. The consent may specify the time at which the action taken in the consent is to be effective. A director's consent may be withdrawn by a revocation in the form of a record executed by the director and delivered to the President or Secretary before delivery to the Association of unrevoked consents executed by all the directors. A written consent executed under this Section has the effect of action taken at a meeting of the Board and may be described as such in any document.

5.18 Registering Dissent. A director who is present at a meeting of the Board at which action on a matter is taken shall be presumed to have assented to an action unless (a) the director objects at the beginning of the meeting or promptly upon arrival to holding it or transacting business at the meeting, (b) the director lodges their dissent or abstention from the action prior to the adjournment of the meeting, or (c) the director who did not vote in favor of the action at the meeting delivers notice in the form of a record of the director's dissent or abstention to the President or Secretary of the Association immediately after the adjournment of the meeting.

5.19 Compensation. No member of the Board shall receive any compensation from the Association for acting as such, provided that nothing herein contained shall be construed to preclude any director from serving the Association in any other capacity and receiving reasonable compensation for services rendered in such other capacity.

ARTICLE 6. OFFICERS

6.1 Designations. The principal officers of the Association shall be the President, the Secretary, and the Treasurer, all of whom shall be elected by and from the Board. The Board may also from time to time appoint or elect a Vice-President, an Assistant Secretary, an Assistant Treasurer and such other officers as in its judgment may be necessary.

6.2 Appointment/Election of Officers. The officers of the Association shall be appointed/elected by the Board at the first regular Board meeting following the annual meeting of Owners for a term of three (3) years and shall hold office until their successors are elected. Any person may hold up to two offices, except the office of President and Secretary.

6.3 Removal of Officers. Upon the affirmative vote of a majority of the members of the Board, any officer may be removed from their position as an officer, but not as a

member of the Board, either with or without cause, and their successor may be elected at any regular or special meeting of the Board called for such purpose.

6.4 President. The President shall be the chief executive officer of the Association. The President shall preside at meetings of the Owners and of the Board and have general supervision authority over the affairs of the Association. The President shall have all powers and duties usually vested in the office of the President of a corporation organized under the Non-Profit Corporation Act of the State of Washington.

6.5 Vice-President. The Vice-President shall take the place of the President and perform the President's duties whenever the President is absent or unable to act. If neither the President nor the Vice-President is able to act, the Board shall appoint some other member of the Board to act in the place of the President, on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed by the Board or by the President.

6.6 Secretary. The Secretary shall issue notices for meetings, keep the minutes of all meetings of the Owners and of the Board; shall have charge of such books and papers as the Board may direct; and shall in general, perform all the duties incident to the office of Secretary of a corporation organized under the Non-Profit Corporation Act of the State of Washington.

6.7 Treasurer. The Treasurer shall have the responsibility for corporate funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements and for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all moneys and other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board, and shall, in general, perform all the duties incident to the office of Treasurer of a corporation organized under the Non-Profit Corporation Act of the State of Washington.

6.8 Delegation. Except as otherwise prohibited by law, the Board may appoint any other officers and agents as it shall deem necessary or expedient, to act on the Board's behalf, including but not limited to performing the day-to-day operations of the Association. Said individuals shall exercise the powers and perform the duties determined from time to time by the Board. In addition, the Board may appoint a manager, who may, if the Board so directs, in addition to any other duties, perform the functions of the Secretary or Treasurer under the directions of that officer or officers.

6.9 Compensation. No officer shall receive any compensation from the Association for acting as such.

ARTICLE 7. COMMITTEES

The Board may appoint standing or temporary committees, and the Board may from time to time invest the committees with any reasonable powers as it may see fit, subject to any conditions prescribed by the Board. Except for advisory committees, which are only authorized to make recommendations to the Board, committees must include at least two (2) directors and shall keep regular minutes of their meetings. A committee of the Board shall not include as voting members persons who are not directors. The designation of any committee and the delegation of authority to that committee shall not relieve the Board, or any director, of any responsibility imposed by law. The Board shall appoint individuals to serve on committees.

ARTICLE 8. INDEMNIFICATION

8.1 Definitions. The following definitions shall apply to the terms use in this Article.

8.1.1 "Director" means any person who is or was a director of the Association.

8.1.2 "Association" includes any domestic or foreign predecessor entity of the Association in a merger, consolidation or other transaction in which the predecessor's existence ceased upon consummation of such transaction.

8.1.3 "Expenses" include attorneys' fees.

8.1.4 "Liability" means the obligation to pay a judgment, settlement, fine or reasonable expenses incurred with respect to a proceeding.

8.1.5 "Party" includes a person who was, is or is threatened to be made a named defendant or respondent in a proceeding.

8.1.6 "Proceeding" means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

8.2 The Association shall indemnify any person made a party to any proceeding (other than a proceeding referred to in Subsection (3) of this Article) by reason of the fact that they were a director against liabilities actually incurred by them in connection with such proceeding if:

8.2.1 they conducted themselves in good faith and (i) in the case of conduct in their own official capacity with the Association, they reasonably believed their conduct

to be in the Association's best interest, or (ii) in all other cases, they reasonably believed their conduct to be at least not opposed to the Association's best interests; and

8.2.2 in the case of any criminal proceeding, they had no reasonable cause to believe their conduct was unlawful.

The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, be determinative that the person did not meet the requisite standard of conduct set forth in this Subsection.

8.3 The Association shall indemnify any person made a party to any proceeding by or in the right of the Association by reason of the fact that they were a director against reasonable expenses actually incurred by them in connection with such proceeding if they conducted themselves in good faith, and:

8.3.1 in the case of conduct in their official capacity with the Association, they reasonably believed their conduct to be in the Association's best interest; or

8.3.2 in all other cases, they reasonably believed their conduct to be at least not opposed to the Association's best interests; provided that no indemnification shall be made pursuant to this Subsection in respect to any proceeding in which such person shall have been adjudged to be liable to the Association.

8.4 A director shall not be indemnified under Sections 8.2 or 8.3 of this Article in respect to any proceeding, whether or not involving action in their official capacity, in which they shall have been adjudged to be liable on the basis that they received a benefit in money, property or services to which they were not legally entitled.

8.5 Unless otherwise limited by the Articles of Incorporation, a director who has been wholly successful, on the merits or otherwise, in the defense of any proceeding referred to in Sections 8.2 or 8.3 of this Article shall be indemnified against reasonable expenses incurred by them in connection with the proceeding.

8.6 No indemnification under Sections 8.2 or 8.3 of this Article shall be made by the Association unless authorized in the specific case after a determination that indemnification of the director is permissible in the circumstances because they have met the standard of conduct set forth in the applicable Section. Such a determination shall be made:

8.6.1 by a majority vote of the Board who are not a party to such proceedings; or

8.6.2 in a written opinion by legal counsel, other than an attorney or a firm having associated with it an attorney who has been retained by or who has performed services within the past three (3) years for the Association or any party to be indemnified, selected by the Board or a committee thereof.

Authorization of indemnification and determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible.

8.7 Reasonable expenses incurred by a director who is a party to a proceeding may be paid or reimbursed by the Association in advance of the final disposition of such proceedings:

8.7.1 upon receipt by the Association of a written undertaking by or on behalf of the director to repay such amount if it shall ultimately be determined that the director has not met the standard of conduct necessary for indemnification by the Association as authorized by this Article; and

8.7.2 Upon receipt by the Association of:

8.7.2.1 a written affirmation by the director of their good faith belief that they have met the standard of conduct necessary for indemnification by the Association as authorized in this Article; and

8.7.2.2 a written affirmation by the director to repay such amount if it shall ultimately be determined that they have not met such standard of conduct.

The undertaking required by Subsection 8.7.1 shall be an unlimited general obligation of the director, but need not be secured and may be accepted without reference to financial ability to make the repayment.

8.8 The Association shall have the power to make or agree to any further indemnity, including advance of expenses, to any director that is authorized by the Articles of Incorporation, these Bylaws or any bylaw adopted or ratified by the members, or any resolution adopted or ratified, before or after the event, by the members, provided that no such indemnity shall indemnify any director from or on account of acts or omissions of such director finally adjudged to be intentional misconduct or a knowing violation of a law, or from or on account of conduct of such director finally adjudged to be in violation of RCW 23B.08.300, or from or on account of any transaction with respect to which it was finally adjudged that such director personally received a benefit in money, property, or services to which the director was not legally entitled. Unless the Articles of Incorporation, or any such bylaws or resolution provide otherwise, any determination as to any further indemnity shall be made in accordance with Subsection

(6) of this Article. Each such indemnity may continue as to a person who has ceased to be a director and may inure to the benefit of the heirs, executors, and administrators of such a person.

8.9 Unless otherwise limited by the Articles of Incorporation:

8.9.1 the Association shall provide indemnification, including advances of expenses, to an officer, employee, or agent of the Association to the same extent that it may indemnify directors pursuant to this Article; and

8.9.2 the Association, in addition, shall have the power to indemnify an officer who is not a director, as well as employees and agents of the Association who are not directors, to such further extent, consistent with law, as may be provided by the Articles of Incorporation, these Bylaws, general or specific action of the Board, or contract. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Association or is or was serving at the request of the Association as an officer, employee or agent of another Association, partnership, joint venture, trust, other enterprise, or employee benefit plan, against any liability asserted against them and incurred by them in any such capacity or arising out of their status as such, whether or not the Association would have the power to indemnify them against such liability under the provision of this Article.

8.10 Any indemnification of a director in accordance with this Article, including any payment or reimbursement of expenses, shall be reported to the members with the notice of the next members meeting or prior thereto in a written report containing a brief description of the proceedings involving the director being indemnified and the nature and extent of such indemnification.

ARTICLE 9. INSURANCE

9.1 Declaration. The Board shall obtain and maintain at all times the insurance coverage specified in the Declaration and such other insurance and with such coverage limits as may be approved by the Board or required by law.

9.2 Fidelity Bonds. The Board shall obtain and maintain at all times fidelity bonds naming any person or entity handling funds of the Association, including employees or any manager or other agent of the Association, and such other persons as may be designated by the Board, as principals and the members as obliges, in an amount determined by the Board.

9.3 Indemnification. The Board may elect to obtain insurance coverage, in such amounts as the Board may in its discretion determine to indemnify the directors, officers and agents of the Association.

9.4 Directors and Officers Coverage. The Association and Board shall also obtain coverage for directors and officers of the Association in amounts that will provide adequate protection for the directors and officers.

ARTICLE 10. COMMON EXPENSES AND ASSESSMENTS

10.1 Estimated Expenses. The Board shall adopt a budget for submitting to Owners for approval. The proposed budget must include (a) the projected income to the Association by category, (b) the projected common expenses and those specially allocated expenses that are subject to being budgeted, both by category, (c) the amount of Assessments per Lot and Living Unit and the date the Assessments are due, (d) the current amount of regular Assessments budgeted for contribution to the reserve account, (e) a statement of whether the Association has a reserve study that meets the requirements of RCW 64.90.550, and if so, the extent to which the budget meets or deviates from the recommendations of the reserve study, and (f) the current deficiency or surplus in reserve funding expressed on a per Lot and Living Unit basis. The calculation of contributions to reserves contained in the budget should be based on an amount that is sufficient to replace or perform such repairs as are necessary to repair or replace the Common Areas at the end of their useful life.

10.2 Budget Notice. Within thirty (30) days after adoption of any proposed budget for the Association, the Board shall provide a copy of the budget to all Owners and set a date for a meeting of Owners to consider ratification of the budget, not less than fourteen (14) nor more than fifty (50) days after providing the budget.

10.3 Budget Ratification. Unless at the budget ratification meeting the Owners of Lots and Living Units to which a majority of the votes in the Association are allocated vote to reject the budget, the budget and the Assessments against the Lots and Living Units included in the budget are ratified, whether or not a quorum is present. In the event the proposed budget is rejected, or the required notice is not given, the periodic budget last ratified by the Owners continues until the Owners ratify a subsequent budget proposed by the Board.

10.4 Special Assessments. The Board, at any time, may propose a special Assessment. The special Assessment is effective only if the Board follows the procedures for ratification of a budget described in this Article and the Owners do not reject the proposed Assessment. The Board may provide that the special Assessment may be due

and payable in a lump sum or in installments over any period it determines and may provide a discount for early payment.

10.5 Waiver. The failure by the Board or the Association before the expiration of any calendar year to fix the estimate and Assessments hereunder for the forthcoming year shall not be deemed a waiver or modification in any respect of the provisions of these Bylaws, or a release of the Owner from the obligation to pay the Assessment or any installment thereof, but the Assessment fixed for the preceding year shall continue until a new Assessment is fixed.

ARTICLE 11. ASSOCIATION RECORDS

11.1 Association Records. The Association must retain the following records:

11.1.1 The current budget, detailed records of receipts and expenditures affecting the operation and administration of the Association, and other appropriate accounting records within the last seven (7) years;

11.1.2 Minutes of all meetings of Owners and the Board other than executive sessions, a record of all actions taken by the Owners or the Board without a meeting, and a record of all actions taken by a committee in place of the Board on behalf of the Association;

11.1.3 The names of current Owners, addresses used by the Association to communicate with them, and the number of votes allocated to each Lot and Living Unit (Notwithstanding anything herein to the contrary, the Association is not required to make this information available for examination or copying by mortgagees);

11.1.4 The Association's original or restated Declaration, organizational documents, all amendments thereto, and all rules and regulations currently in effect;

11.1.5 All financial statements and tax returns of the Association for the past seven (7) years;

11.1.6 A list of the names and addresses of current directors and officers;

11.1.7 The most recent annual report delivered to the Secretary of State;

11.1.8 Copies of contracts to which the Association is or was a party within the last seven (7) years;

11.1.9 Materials relied upon by the Board or any committee to approve or deny any requests for design or architectural approval for a period of seven (7) years after the decision is made;

11.1.10 Materials relied upon by the Board or any committee concerning a decision to enforce the governing documents for a period of seven (7) years after the decision is made;

11.1.11 Copies of insurance policies under which the Association is a named insured;

11.1.12 Current warranties provided to the Association;

11.1.13 Copies of all notices provided to Owners or the Association in accordance with the Act or the governing documents;

11.1.14 Ballots, proxies, absentee ballots, and other records related to voting by Owners for one (1) year after the election, action, or vote to which they relate; and

11.1.15 The pre-foreclosure information required by the Act

11.2 Review of Records. Except as otherwise provided in this Section, all records required to be retained by the Association pursuant to Section 11.1, shall be made available for examination and copying by Owners, during reasonable business hours at the offices of the Association or its manager or at a mutually convenient time and location. Except as provided in Section 11.3, the Association may charge a reasonable fee for producing and providing copies of any records under this Section and for supervising the inspection of the records. Notwithstanding anything herein to the contrary, records related to the following matters must be withheld from inspection and copying by the Association:

11.2.1 Personnel and medical records relating to specific individuals;

11.2.2 Contracts, leases, and other commercial transactions to purchase or provide goods and services currently being negotiated;

11.2.3 Existing or potential litigation or mediation, arbitration, or administrative proceedings;

11.2.4 Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

11.2.5 Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the Association;

11.2.6 Information the disclosure of which would violate a court order or law;

11.2.7 Records of an executive session of the Board;

11.2.8 Individual Lot or Living Unit files other than those of the requesting Owner;

11.2.9 Unlisted telephone number or electronic address of any Owner or resident who elects to keep such electronic address confidential;

11.2.10 Security access information provided to the Association for emergency purposes;

11.2.11 Agreements that for good cause prohibit disclosure;

11.2.12 Address of an Owner or resident who is known to the Association to be a participant in the address confidentiality program described in RCW 40.24 or any similar program established by law; and

11.2.13 Any information which would compromise the secrecy of a ballot cast under RCW 64.90.455 and the Bylaws.

11.3 Owners are entitled to receive a free annual electronic or paper copy of the list of the names of current Owners, addresses used by the Association to communicate with them, and the number of votes allocated to their Lot or Living Unit, except as provided in Section 11.2. Owners are also entitled to receive a free electronic or paper copy of the pre-foreclosure information retained under Subsection 11.1.15 of this Article.

ARTICLE 12. MORTGAGEE PROTECTION

The institutional holder of a First Mortgage on a Lot or Living Unit shall be entitled to the following rights and privileges:

12.1 Voting. In the event an Owner shall have pledged their vote to a First Mortgagee, to cast the vote pursuant to the authority given under the terms of the pledge involved.

12.2 Notice. The First Mortgagee has the right (upon receipt of its request) to receive written notice at the address designated by the First Mortgagee of:

12.2.1 all annual and special meetings of the Association and be permitted to designate a representative to attend such meetings;

12.2.2 any default by the Owner in the performance of any obligations under the Declaration, the Bylaws or the Act which is not cured within thirty (30) days; and

12.2.3 all other matters to which the Owner is entitled to written notice under the terms of this Declaration, the Bylaws, the Act or other applicable laws, ordinances or administrative rules and regulations.

The foregoing notices shall be given to the First Mortgagee at the same time or times that comparable notices are to be given to the Owner. The failure of the Association, or its officers, directors or agents, to furnish the foregoing notices shall not result in any liability to the First Mortgagee.

12.3 Insurance. To be given the endorsements of insurance policies and the notices, and to exercise all other rights and privileges with respect to insurance matters, which are specified in the Bylaws for the benefit of Mortgagees.

ARTICLE 13. NOTICE

13.1 Form and Delivery of Notice. Any notice permitted or required to be delivered under the provisions of the governing documents may be delivered in a tangible medium by mail, private carrier or personal delivery; telegraph or teletype; by wireless equipment that transmits a facsimile of the notice; or by electronic notice as provided herein.

13.2 Notice to the Association. Notice may be provided to the Association in a tangible medium addressed to the Association's registered agent at its registered office, to the Association at its principal office shown in its most recent annual report or provided by notice to the Owners, or to the President or Secretary of the Association at the address shown in the association's most recent annual report or provided by notice to the Owners.

13.3 Notice to Owners. Notice in a tangible medium to an Owner must be addressed to the Lot address unless the Owner has requested, in a record delivered to the Association, that notices be sent to an alternate address or by another method allowed by governing documents.

13.4 Electronic Notice. Notice may be provided to Owners and directors by electronic transmission only if the Owner or director has consented, in the form of a record, to receive electronically transmitted notices and has designated the consent, the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with applicable law. An Owner's or director's consent to receive electronically transmitted notices may indicate whether the Owner or director elects to keep their electronic address confidential and exempt from disclosure by the Association pursuant to RCW 64.90.495(2). Failure to deliver such indication shall permit disclosure by the Association. Unless otherwise authorized by the Board in writing, the Association does not agree to accept electronically transmitted notices.

13.5 Revocation of Electronic Notice. An Owner or director who has consented to receive electronically transmitted notices may revoke their consent by delivery a revocation to the Association in the form of a record. The consent of an Owner or director is also revoked if the Association is unable to electronically transmit two consecutive notices given by the Association in accordance with the consent, and this inability becomes known to the Secretary of the Association or any other person responsible for giving the notice. The inadvertent failure by the Association to treat this inability as a revocation does not invalidate any meeting or other action.

ARTICLE 14. RULES AND REGULATIONS

The Board may from time to time adopt such rules and regulations as provided herein as may be necessary or advisable to ensure compliance with or to supplement the Declaration, or as may reasonably be required for the use, occupancy and maintenance of the Property, and Common Areas and facilities. When so adopted, such rules and regulations shall be binding upon all Owners and occupants of the Property thirty (30) days after promulgation or amendment and notice is provided to all Owners. The Board may from time to time amend any such rules and regulations. Except to the extent already set forth in the Declaration, such rules and regulations shall be stated in writing and shall be made available to each Owner, tenant, Mortgagee or other party having a legitimate interest therein, upon request to the Secretary of the Association (or the management company on the Secretary's behalf). The Association is otherwise exempt from the requirements of RCW 64.90.505.

ARTICLE 15. ADOPTION AND AMENDMENT OF BYLAWS

In addition to any amendment of these Bylaws authorized by the terms of the Declaration, these Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the affirmative vote of sixty-seven percent (67%) of the members or by the Board as authorized in Article IX of the Articles of Incorporation. To the extent that the amendment affects any of the following matters, the consent of fifty-one percent (51%) of First Mortgagees, including Federal Mortgage Agencies is required: voting rights, Assessment liens and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; the boundaries of any Lot except minor Lot line adjustments; reallocation of interest in the Common Areas; convertibility of Lots or Living Units into Common Areas or Common Areas into Lots or Living Units; imposition of any restrictions on the right of an Owner to sell or transfer their Lot or Living Unit; a decision by the Association to establish self-management when professional management had been required previously by First Mortgagees; and any action to terminate the legal status of the Silver Creek development after substantial destruction or condemnation occurs.

Adopted this 20 day of February, 2026.

SILVER CREEK ASSOCIATION

By: Michael George Morrey
Its President