

**AMENDED AND RESTATED BYLAWS
OF
THE VILLAS AT SALMON CREEK COMMONS
HOMEOWNERS ASSOCIATION**

**ARTICLE 1
DEFINITIONS**

1.1 “Association” means and refers to The Villas at Salmon Creek Commons Homeowners Association, a Washington nonprofit corporation, notwithstanding the name defined in any plat or declarations governing the same.

1.2 “Board Members” may also be referred to as “directors”, or collectively as the “Board” or “Board of Directors.”

1.3 “Common Areas” includes the Common Areas described in the Second Restated Declaration of Covenants, Conditions, and Restrictions for The Villas at Salmon Creek Commons, as amended, restated or otherwise supplemented, governing **Salmon Creek Commons, Phase C** subdivision, (the “Declaration”), together with any other Property owned or otherwise maintained, repaired, or administered by the Association.

1.4 “Common Expense” means the costs incurred by the Association to exercise any of its powers or to maintain the Common Areas.

1.5 All other capitalized terms not otherwise defined in these Bylaws have the meaning assigned to them in the Second Restated Declaration.

**ARTICLE 2
OFFICES**

2.1 Principal Office. The principal office of the Association will be that of the current President serving the Association.

2.2 Registered Office/Agent. The registered office and the registered agent located at that office is identified in the Articles of Incorporation of the Association, or any amendment filed with the Washington Secretary of State.

2.3 Other Offices. The Association may also, where necessary or convenient to the accomplishment of its purposes, maintain offices or facilities elsewhere within the State of Washington at locations selected by the Board of Directors.

**ARTICLE 3
ASSOCIATION JURISDICTION**

The jurisdiction of the Association includes all of the Property described in the Declaration as amended or otherwise supplemented. While the jurisdiction of the Association

includes Lots and Units, this is not to imply that the Association has any ownership interest in Lots or Units. Association Property is defined in the Declaration.

ARTICLE 4 PURPOSES

The purposes for which the Association was formed are those described in its Articles of Incorporation, as may be amended, and to do all other things incidental, necessary, convenient, or expedient for the attainment of the purposes identified in the Articles and the Second Restated Declaration, and for the accomplishment of the duties and responsibilities imposed upon the Association by the laws of the State of Washington and these Bylaws.

ARTICLE 5 MEMBERSHIP

5.1 Members. The members of the Association and their qualifications are described in the Association's Declaration and Articles of Incorporation.

5.2 Membership Meetings. There are two primary types of meetings for the Association: Membership Meetings and Board Meetings. Section 5.2 governs Membership Meetings only. Section 6.14 governs Board Meetings.

5.2.1 Annual Meeting. An annual meeting of the members of the Association must be held during the month of December of each year, commencing in the year 2015, at a date, time, and place designated in the notice for the meeting. At the annual meeting, a Board of Directors will be elected in accordance with Section 6.6 of these Bylaws. The members may also transact other business as may properly come before the membership as specified under the Washington State Law ("Law"), in the Governing Documents, or upon referral by the Board of Directors. In the event that an annual meeting is omitted by oversight or otherwise, a special meeting may be called in lieu of the annual meeting, and any business transacted at that meeting will have the same force and effect as if transacted or held at the annual meeting.

5.2.2 Regular Meetings. The Board of Directors by resolution may set a schedule for regular meetings, including the annual meeting, of the members for the ensuing year. Notice of regular meetings will be given as described in Section 5.3.

5.2.3 Special Meeting. Special meetings of the members may be called by the President, a majority of the Board of Directors, or by members having 10% of the total voting power in the Association. Notice of special meetings is to be provided in accordance with the requirements in Section 5.3.

5.2.4 Place of Meetings. Meetings of the membership may be held at any suitable place convenient to the members as may be designated by the Board of Directors and identified in the notices of the meetings. This includes holding meetings by electronic means in accordance with Law.

5.3 Notice of Membership Meetings. For any meeting of the members, the President or other officer of the Association specified in these Bylaws must cause notice of the meeting to be hand-delivered or sent by prepaid, first class United States mail to the mailing address of each member or to any other mailing address designated in writing by the members or electronically as provided by these Bylaws and Law. The notice must be given not less than 14 days or more than 60 days in advance of any meeting. The notice must state the time and place of the meeting, the purpose for which the meeting is called, and the business to be placed on the agenda by the Board of Directors for a vote by the members, including the general nature of any proposed amendment to the Declaration, Articles of Incorporation, Bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, any proposal to remove a director, or any items requiring a vote of the membership.

5.4 Quorum. Except for voting by mail-in ballots, or the election of directors described in Section 6.6.2, the quorum necessary for conducting business at any meeting of the members of the Association is 34% of the total voting power of the Association represented by the members in person or by proxy at the beginning of the meeting. Even if a quorum is present at a meeting, some actions may require approval by more than a majority of the quorum as specified in the Declaration, the Articles, or these Bylaws, such as actions requiring a certain percentage of the total voting power of the Association (rather than a percentage of the quorum). Unless otherwise provided in the Association's Declaration, the Articles of Incorporation, or these Bylaws, action taken at a meeting at which a quorum was not initially present will be void and of no effect unless all members of the Association consent in writing to the action within 30 days after the date of the meeting.

5.5 Voting.

5.5.1 The members' voting rights and the total voting power of the Association are identified in the Association's Declaration.

5.5.2 At each meeting of the members, each Lot may be represented by one member, either in person or by proxy executed in writing by the member (or if owned by more than one member then by all of the members), by the member's duly authorized attorney-in-fact, or by mail-in ballot as described in Section 5.9 (the "voting member").

5.5.3 Except for voting by mail-in ballot, or for voting for directors, when a quorum is present at the beginning of a meeting and at least 34% of the votes of the Association remain present at the meeting in person or by proxy at the time the vote is taken, the vote of a majority of the voting members represented in person or by written proxy at the meeting may decide any question brought before the meeting. This vote will be binding on all members, unless the question is one upon which, by express provision of the Acts or any Governing Document, a different vote is required, in which case the express provisions govern and control the decision of the question.

5.5.4 If a vote of the membership is taken by mail-in ballot, then the affirmative vote of a majority of the total voting power represented by returned ballots will decide a question presented in the ballot, unless a greater percentage is required by law, the Declaration, the Articles, or these Bylaws.

5.6 Proxies. All proxies must be in writing and the proxy must be filed with the Secretary of the Association or other officer or agent authorized to tabulate votes before the meeting at which the proxies are to be used. A proxy form will be distributed with each meeting notice at which a vote of the membership will occur. All proxies must be in writing and signed and are subject to verification by the Board. Each proxy will offer the member the option of either designating another member of the Association or duly authorized attorney-in-fact to vote on their behalf or indicating their vote on each agenda item requiring a vote of the membership.

5.6.1 A notation of the member votes represented by proxies will be made in the minutes of the meeting. Every proxy will be valid for a maximum period of 11 months, or until it is earlier revoked, and will automatically cease upon conveyance of the member's interest in a Unit or Lot in the Association's jurisdiction.

5.6.2 If only one of the multiple Owners of a Lot is present at a meeting of the Association or has delivered a written ballot or proxy to the Association Secretary, the Owner is entitled to cast all the votes allocated to that Lot. If more than one of the multiple Owners are present or has delivered a written ballot or proxy to the Association Secretary, the votes allocated to that Lot may be cast only in accordance with the agreement of a majority in interest of the multiple Owners. There is majority agreement if any one of the multiple Owners casts the votes allocated to that Lot without protest being made promptly to the person presiding over the meeting or to the Secretary before the meeting by any of the other Owners of the Lot. Consistent with Section 14.2 of the Second Restated Declaration, if there is no agreement of the multiple Owners of a Lot on how a vote should be cast, the vote will not count.

5.7 Adjourned Meetings. Whether for failure to obtain a quorum or otherwise, an adjournment of any meeting of members may be taken to the date, time, and place as the majority of those present (in person or by proxy) may determine without any other notice than announcement at the meeting being adjourned.

5.8 Waiver of Notice. Any member may, in writing, waive notice of any meeting before, at, or after the meeting, and this waiver will be deemed equivalent to the giving of notice. Attendance by a member at any membership meeting, whether in person or by proxy, will be a waiver of notice of the time and place of the meeting, except where a member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any objection must be made at the beginning of the meeting and the objection will be waived if the member votes on any action at the meeting. If it is determined by a majority vote of those present at the meeting that the objection to the meeting is valid based on a failure to follow the required procedures in calling and holding the meeting, the President must adjourn the meeting without the members taking any action, and in such case Section 5.7 applies.

5.9 Mail-In Ballot. Except for the election of directors, whenever the vote of the members is required, the vote may be taken by mail-in ballot in lieu of a meeting if full instructions for the mail-in ballot are described in the meeting notice, the instructions are not in contradiction to any provisions contained in the Law or Governing Documents, and if all members are provided a mail-in ballot. In order to be counted, mail-in ballots must be sent to the

Secretary of the Association or designated Agent, and returned ballots must be received no later than the date and time identified in the balloting instructions.

ARTICLE 6 DIRECTORS

6.1 Number. A Board of Directors consisting of no less than three directors will manage the affairs of the Association. The number of directors may be increased to five by a majority of the total voting power of the Association at a meeting called for that purpose. No change in the number of directors shall have the effect of shortening the term of any incumbent director.

6.2 Qualification. All directors must be members of the Association.

6.3 Authority and Powers of the Board of Directors. The management of the affairs, property, and interests of the Association are vested in the Board of Directors. In addition to the powers and authorities expressly conferred upon the Board of Directors by these Bylaws and in any other Governing Document, the Board of Directors may exercise all powers of the Association and do all lawful acts and things as are not directed or required to be exercised or done by the members of the Association by statute or any other Governing Document, including, but not limited to, the following items:

6.3.1 To levy and collect assessments, annually, quarterly, monthly, or otherwise, to cover the cost of operating, repairing, improving, insuring and maintaining Association Property;

6.3.2 To use and expend the assessments collected to maintain, improve, pay taxes, care for, replace and preserve Association Property;

6.3.3 To make, or contract to have made, repairs, restoration, or alteration of Association Property, if any, after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;

6.3.4 To employ managers or independent contractors, including, but not limited to, legal counsel, accountants and other professionals or consultants as the Board of Directors deems necessary or appropriate, or other employees as the Board deems necessary and to prescribe their duties;

6.3.5 To open bank accounts on behalf of the Association and to designate the signatories for the accounts;

6.3.6 To make reasonable policies, procedures, and rules and regulations pursuant to Section 5.12 of the Declaration;

6.3.7 To collect delinquent assessments by suit or otherwise, to abate nuisances, and to enjoin or seek damages from members for violations of the Declaration or rules and regulations adopted by the Board; and

6.3.8 To bring and defend actions by or against one or more existing or former members, directors, officers, or agents pertinent to the operation of the Association and to levy special Assessments to pay the cost of litigation; provided, however, that except for small claims court actions, before the Board can file legal action in court, 67% of the voting power of the Association must approve that action at a meeting called for that purpose, and separate membership approval for assessments to pay for authorized litigation is not required.

6.4 Restricted Authority of the Board. The Board of Directors does not have the authority to act on behalf of the Association in the following matters, which authority is reserved to the members:

6.4.1 To amend the Articles of Incorporation;

6.4.2 To take any action that requires the vote or approval of the members;

6.4.3 To terminate the Association;

6.4.4 To remove or elect members of the Board of Directors (the Board of Directors, however, may fill vacancies in its membership for the unexpired portion of any term); and

6.4.5 To determine the qualifications, powers, duties, and terms of office of the members of the Board of Directors.

6.4.6 Any other powers reserved to the members by the Governing Documents of the Association or by law.

6.5 Duties of Board of Directors. It is the duty of the Board of Directors to:

6.5.1 Cause to be kept a complete record of all its acts and corporate affairs and to present a statement of these acts to the members at the annual meeting of the members, or at any special meeting when a statement is requested in writing by 25% of the total voting power of the Association;

6.5.2 Supervise all officers, agents, and employees of this Association and to see that their duties are properly performed;

6.5.3 Establish, levy, assess, and collect assessments or other charges referred to in the Declaration and these Bylaws as applicable to the Association through the managing agent; and direct the managing agent to send written notice of each assessment to every Owner or contract purchaser subject to assessments at least 30 days in advance of each annual, monthly, or special assessment period;

6.5.4 Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate stating whether any assessment has been paid. A reasonable charge may be

made by the Board for the issuance of a certificate. The certificate will be conclusive evidence of any assessment stated in the certificate to have been paid;

6.5.5 Procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association, or other property as authorized by the Second Restated Declaration, if any;

6.5.6 Cause all officers and employees having fiscal responsibilities for funds over \$1,000 to be bonded, as it may deem appropriate;

6.5.7 Cause any Common Areas, if any, owned by the Association to be maintained; and,

6.5.8 Where reasonably prudent, delegate duties and responsibilities to an officer or committee upon the affirmative resolution of the Board of Directors.

6.5.9 Carry out all other duties required or permitted by Law.

6.6 Election of Directors and Term.

6.6.1 Elections shall be held each year at the annual general membership meeting unless a vacancy occurs prior to the normal expiration of that director's term, in which instance the procedure described in Section 6.10 applies. Directors will serve two-year terms, unless they earlier resign or are removed according to these Bylaws. No Board member shall serve more than two consecutive terms unless no other members volunteer to serve. Each year, the Board of Directors will hold a Board meeting in January after the election of new directors, if any, to appoint officers, set a regular meeting schedule, and conduct other business. The officers may be the same as Board members.

6.6.2 Voting for the annual election of directors by the members will be accomplished at the annual meeting. Nominations will be accepted from the floor, or may be submitted to the Secretary prior to the meeting. There will be no cumulative voting in the election of directors (e.g. a member with more than one Lot or Unit may not cast multiple votes for one director if there are multiple vacancies on the Board, in that no member may cast more than one vote for any nominee per vacancy). A number of votes necessary for the purpose of electing directors at the annual meeting consists of receipt of ballots representing a minimum of 24 votes. At the meeting, the results will be determined and described in a certificate by the Secretary sent to the President and the nominees who were elected.

6.7 Removal of Directors. Any one or more directors may be removed with cause at any time by a majority of the voting power of the Association represented in person or by proxy at a meeting of the members that was (a) called for that purpose and (b) for which a quorum is present. "Cause" is defined as engaging in illegal or unethical activities, exceeding the powers of the Board, assuming powers of the members, failing to carry out duties specified in the Governing Documents, or acting in a disruptive, arbitrary, or discriminatory manner. Any director whose removal has been so proposed will be given an opportunity to be heard at the meeting. The Board shall fill the vacancies as specified in Section 6.10 below.

6.8 Absent Directors. If a director is absent from three or more consecutive regular meetings of the Board of Directors, the remaining directors may declare the position of the director vacant, and the provisions of Section 6.10 will apply.

6.9 Resignation of Directors. Any director may resign at any time by delivering in person or by certified mail a written notice of the resignation to the Board of Directors by and through the Association's President or Secretary.

6.10 Vacancies. Whenever a vacancy in the Board occurs for any reason, the Board shall appoint a replacement without undue delay. The director so chosen will complete the term of the vacated position.

6.11 Remuneration. No stated salary may be paid to directors for their services, but by resolution of the Board of Directors, directors may be reimbursed for expenses incurred in carrying out their duties on behalf of the Association.

6.12 Loans. The Association may not loan money or credit to its directors, or to any other person or entity, nor borrow money from any source.

6.13 Disbursement. The Association may not make any disbursements of income to any director for the director's service on the Board of Directors.

6.14 Meetings of Board.

There are two primary types of meetings for the Association: Membership Meetings and Board Meetings. Section 6.14 governs Board meetings only. Section 5.2 governs Membership meetings.

6.14.1 Annual Meeting. The first meeting of the Board of Directors following the annual election of directors by members will be known as the Annual Board Meeting. After notice is given by the Secretary of the results of the election of directors by the members, the President must call the Annual Board Meeting, and the Secretary will give notice to all directors of the date, time, and place thereof. It is expected that the Annual Board Meeting will be held in January of each year.

6.14.2 Regular Meetings. At the Annual Board Meeting, the Board must set a schedule of regular meetings of the Board. Notice of regular meetings will be given according to the provisions in Section 6.15.

6.14.3 Special Meetings. Special meetings of the Board of Directors may be called at any time by the President or upon written request by a majority of directors currently in office. Special meetings will be held at the principal office of the Association or at another place or places that the directors may designate in the notice.

6.14.4 Open and Closed Meetings.

6.14.4.1 All meetings of the Board of Directors must be open for observation, but not input, unless the Board allows input, by all members of record and their authorized agents, except that, upon a motion duly made and seconded and the affirmative vote of the directors present in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider the following matters:

- a. To discuss personnel matters;
- b. To consult with legal counsel or consider communications with legal counsel;
- c. To discuss likely or pending litigation;
- d. To discuss matters involving possible violations of the Governing Documents of the Association; and
- e. To discuss matters involving the possible liability of an Owner to the Association by reason of an alleged violation of the Governing Documents.

The motion must state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session must be included in the minutes. The Board of Directors must restrict the consideration of matters during the closed portions of meetings only to those purposes specifically exempted and stated in the motion. No motion or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on the motion or other action which is reasonably identified. The requirements of this subsection may not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

6.15 Notice of Board Meetings.

6.15.1 The schedule of regular Board meetings will be published in the minutes of the meeting at which the schedule was set by the Board and sent to all members at least 14 days prior to the next Board meeting. Further individual notice is not necessary unless the Board holds meetings that are not listed in the schedule.

6.15.2 Notice of all special meetings of the Board of Directors will be given to each director and member by 24 hours service of the notice by letter, telephone, electronic mail, or personal delivery. The notice must specify the business to be transacted at, and the purpose of, the meeting.

6.16 Quorum. A majority of the Board of Directors constitutes a quorum for the transaction of business, whether in person or by proxy. If a quorum is not present at a Board meeting, a lesser number may adjourn the meeting to a day not more than 10 days later.

6.17 Chairperson. At all meetings of the Board of Directors, the President of the Association, or in the President's absence, a member of the Board chosen by the directors present, will preside as Chairperson.

6.18 Voting. A majority of directors present at a meeting at which a quorum is present must concur any time the law, the Governing Documents or a Board resolution calls for Board action. Each director possesses one vote in matters coming before the Board.

6.19 Deadlock. If a quorum represented by a majority of the directors is present, but these directors are unable to agree on an action, the Board meeting will be adjourned until an additional director can weigh in on the question at a future meeting to break any deadlock.

6.20 Registering Dissent. A director who is present at a meeting of the Board of Directors at which action on a matter is taken will be presumed to have assented to the action unless their dissent is entered in the minutes of the meeting, or unless they have filed their written dissent to the action with the person acting as the Secretary of the meeting, before the adjournment of the meeting. The right to dissent does not apply to a director who voted in favor of the action.

6.21 Minutes. The Board of Directors or the managing agent must keep minutes of all actions taken by the Board, which must be available to all members upon request. At a minimum, minutes must include the date and time the meeting was called to order, the number of members present, the results of any votes taken, the items discussed, and the time that the meeting was adjourned.

6.22 Waiver of Notice. Attendance of a director or a committee member at a meeting in person constitutes a waiver of notice of the meeting, except where a director or a committee member attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. A waiver of notice signed by the director or directors, whether before or after the time stated for the meeting, will be equivalent to the giving of notice.

6.23 Action by Directors Without a Meeting. Any action required by law or by these Bylaws to be taken at a meeting of the directors, or at a meeting of a committee, or any action which may be taken at a meeting, may be taken without a meeting if a consent in writing, describing the action taken, and must be signed by all of the directors or committee members entitled to vote with respect to the subject matter. The consent will have the same force and effect as a unanimous vote.

6.24 Actions of Directors by Other Communications Means. Directors may participate in a meeting of directors by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time and participation by these means will constitute presence in person at a meeting.

6.25 Standard of Care for Directors. The Board of Directors shall act in all instances on behalf of the Association. In the performance of their duties, the officers and members of the Board of Directors are required to exercise the degree of care and loyalty required of an officer or director of a corporation organized under the Law, including RCW Title 24 .

6.26 Notice by Electronic Transmission. Any notice required to be provided by the Declaration of by these Bylaws, may be electronically transmitted in compliance with this section. Notice to members and directors in an electronic transmission is effective only with respect to members and directors who have consented, in the form of a record, to receive

electronically transmitted notices under the Law. A member or director who provides consent shall designate the message format accessible to the recipient, and the address, location, or system to which these notices may be electronically transmitted. A member or director who has consented to receipt of electronically transmitted notices may revoke the consent by delivering a revocation to the corporation in the form of a record. The consent of any member or director is 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 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. Notice to members or directors who have consented to receipt of electronically transmitted notices may be provided notice by posting the notice on an electronic network and delivering to the member or director a separate record of the posting, together with comprehensible instructions regarding how to obtain access to this posting on the electronic network. Notice provided in an electronic transmission is effective when it: (a) is electronically transmitted to an address, location, or system designated by the recipient for that purpose, and is made pursuant to the consent provided by the recipient; or (b) has been posted on an electronic network and a separate record of the posting has been delivered to the recipient together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

ARTICLE 7 COMMITTEES

7.1 Designation and Qualification. The Board of Directors, by resolution adopted by a majority of the directors, may designate and appoint one or more committees. If the committee is to act as the Board (except for the matters listed in Section 7.5), it must consist of at least two directors and any number of members of the Association. All other committees need not have Board members. The designation and appointment of any committee, including ad hoc and standing committees, and the delegation of authority, may not operate to relieve the Board of Directors or any individual director of any responsibility imposed upon it or the Board or director by law. By resolution adopted by a majority of the directors in office, the Board may remove from any committee a member of a committee with or without cause, and may fill any vacancy on any committee, whether the vacancy is caused by resignation, removal, or otherwise.

7.2 Role of Committees. Committees may assist the Board in researching needed information, recommending changes to the Governing Documents or policies and procedures, conducting surveys of the members, reviewing member applications for modifications to their Units or Lots, recommending Board actions, mediating conflicts between members, inspecting the work of maintenance personnel, and other appropriate tasks that the Board may assign.

7.3 Committee Chairperson. The Board shall appoint a Chairperson for each committee created who will be responsible for adhering to guidelines established by the Board, keeping the Board informed of the committee's progress, maintaining records of the committee's agenda and minutes, and submitting a final report at the conclusion of the committee's task or at the end of its term that provides a summary of its accomplishments and makes recommendations for Board actions when indicated.

7.4 Committee Records. Committees shall keep records of all their meetings, including agendas and actions taken, and turn them over to the Board upon completion of the committee's assigned tasks and at the end of the fiscal year.

7.5 Authority of Committees. No committee has the authority of the Board of Directors in reference to:

7.5.1 Amending, altering, or repealing the Governing Documents;

7.5.2 Electing, appointing, or removing any member of any committee or any director or officer of the Association;

7.5.3 Amending the Articles of Incorporation;

7.5.4 Adopting a plan of merger or adopting a plan of consolidation with another corporation;

7.5.5 Authorizing the sale, lease, or exchange of all or substantially all of the property and assets of the Association not in the ordinary course of business;

7.5.6 Authorizing the voluntary dissolution of the Association or revoking proceedings for a dissolution;

7.5.7 Adopting a plan for distribution of the assets of the Association;

7.5.8 Undertaking any task not within the Board's charge to the committee; or

7.5.9 Amending, altering, or repealing any resolution of the Board of Directors.

ARTICLE 8 OFFICERS

8.1 Designations. The officers of the Association are a President, Secretary, and Treasurer, all of whom must be appointed by the Board from the Board at the Annual Board Meeting, to hold office until the next Annual Board Meeting, subject to provisions relating to vacancy and removal, and all of whom may be directors. If the Association elects to expand the Board to five members, the additional officers will be a Vice President and a Member at Large. The officers have the powers described in these Bylaws but will at all times be subject to the authority and direction of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

8.2 Duties.

8.2.1 President. The President will preside at all meetings of directors and will have general supervision of the affairs of the Association. The President is the principal operating and administrative officer and possesses the power to sign all certificates, contracts, or other instruments of the Association that have been approved by the Board or the members, as required by the law of Governing Documents.

8.2.2 Secretary. The Secretary has the following duties:

8.2.2.1 Issue notices for all meetings, if required, except the notices of special meetings of the directors which are called by the President or the requisite number of directors;

8.2.2.2 Keep minutes of all meetings, including but not limited to those persons in attendance at the meetings, motions made and votes, and a summary of other business conducted and decided at meetings;

8.2.2.3 Make reports and perform other duties as are incident to his or her office, or are properly required of him or her by the Board of Directors;

8.2.2.4 Provide copies of meeting minutes to the Board and members;

8.2.2.5 Respond to written and electronic correspondence regarding Association matters after appropriate consultation with the Board, if required.

8.2.3 Treasurer. The Treasurer has the following duties, who may be assisted by the managing agent, as determined by the Board:

8.2.3.1 Oversee and verify all moneys of the Association;

8.2.3.2 Maintain an accurate and timely accounting of all money received and disbursed by the Association;

8.2.3.3 Deposit all funds into the accounts established pursuant to the direction of the Board and be responsible for the proper maintenance of the accounts;

8.2.3.4 Oversee and verify all assessments, fees, fines, and charges;

8.2.3.5 Disburse the funds of the Association in payment of just demands against the Association or as may be ordered by the Board of Directors, taking proper vouchers for disbursements, and in addition, the Treasurer shall personally sign all checks made out by the managing agent on behalf of the Association and manage the petty cash fund;

8.2.3.6 Report at all meetings on the financial status of the Association, including funds on hand, outstanding obligations, if any, and all disbursements made since the last report;

8.2.3.7 Be a signer on all checks and drafts against the Association funds;

8.2.3.8 Comply with any and all state and federal guidelines that pertain to the Association as a non profit corporation; and

8.2.3.9 Fulfill all functions delegated to the Treasurer by the President of the Board.

8.3 Other Officers. The Board of Directors may appoint other officers or agents as it deems necessary or expedient, who will hold their offices for the terms and exercise the powers and perform the duties as determined by the Board of Directors.

8.4 Delegation. In the case of absence or inability to act of any officer of the Association and of any person authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of an officer to any other officer or any director whom it may select.

8.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the Secretary of the Association, who, in turn, must notify the Board of Directors of the resignation. Unless otherwise specified, written notice of the resignation will take effect upon receipt of the notice by the Association's Secretary.

8.6 Removal and Vacancy. Any officer may be removed, with cause, according to the same procedures applicable to Board members set forth in Section 6.7. The Board of Directors may fill vacancies in any office arising from any cause at any regular or special meeting of the Board for the unexpired term of the vacated office.

8.7 Loans to Officers. The Association may not loan money or credit to any officer.

8.8 Disbursement. The Association may not make any disbursement of income to any officer, except for reimbursement of expenses incurred in carrying out their duties on behalf of the Association upon approval by the Board of Directors.

8.9 Bonds. In addition to the requirement in Section 6.5.6, the Board of Directors may, by resolution, require any of the officers to give bonds to the Association paid for by the Association, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices, and to comply with other conditions as may be required by the Board of Directors.

8.10 Amendments to Governing Documents. Except as provided in the Declaration, any officer of the Association has the right to prepare, execute, certify, file, and record properly adopted amendments to the Governing Documents without further specific authority from the Board.

ARTICLE 9 FISCAL POLICY

9.1 Record-Keeping.

9.1.1 The Association or its managing agent must keep financial and other records sufficiently detailed to enable the Association to fully declare to each Owner the true statement of its financial status. All financial and other records of the Association, including but not limited to checks, bank records, and invoices, in whatever form they are kept, are the property of the Association. Each managing agent of the Association must turn over all original books and records to the Association immediate upon termination of the management relationship with the Association or upon any other demand as is made by the Board of Directors. An Association managing agent is entitled to keep copies of Association records. All records, which the managing agent has turned over to the Association, will be made reasonably available to the examination and copying by the managing agent.

9.1.2 The Association must keep, at a minimum, at its registered office, its principal office in this state, or its Secretary's office if in this state, the following:

9.1.2.1 Current Governing Documents;

9.1.2.2 Correct and adequate records of accounts and finances;

9.1.2.3 A record of all members', officers' and directors' names and addresses; and

9.1.2.4 Minutes of the proceedings of the Board of Directors, minutes of all meetings of the members, and any minutes that may be maintained by committees established by the Board. Records may be written, or electronic if capable of being converted to writing.

9.2 Examination of Records. All records of the Association, including the names and addresses of members and other occupants of the lots, must be available for examination by all members and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its managing agent. The Association may not release the unlisted telephone number of any member without prior written approval by the member. The Association may impose and collect a reasonable charge for copies and any reasonable costs incurred by the Association in providing access to records.

9.3 Financial Statement. All financial and other records of the Association, including checks, bank records, and invoices, are the property of the Association, but must be made reasonably available for examination and copying by the managing agent of the Association, any Lot Owner, or the Lot Owner's authorized agents upon request.

At least once annually, the Association must prepare, or cause to be prepared, a financial statement of the Association in accordance with generally accepted accounting principles. If the financial statement of the Association reveals annual assessments of \$50,000 or more, it must be audited at least annually by an independent certified public accountant, but the audit may be waived if 67% of the total voting power, in person or by proxy at a meeting of the Association at which a quorum is present, vote each year to waive the audit.

9.4 Deposit of Funds. The funds of the Association must be kept in accounts in the name of the Association and cannot be commingled with the funds of any other Association, or with the funds of any managing agent of the Association or any other person responsible for the custody of the funds. The funds of the Association must be deposited in the name of the Association in a federally insured financial institution, as the Board of Directors designates.

9.5 Withdrawal of Funds. The Treasurer must sign all checks and drafts against the Association. Multiple signers, if any, may not be related to each other. All committee expenditures over \$100 must be approved by a simple majority of the directors present at a Board meeting. All financial commitments made by the Board dealing with the current year must be honored by the new Board and reflected in the new budget statement for the ensuing year.

ARTICLE 10 BUDGET

10.1 Authority. The Board of Directors has the power to adopt and amend budgets for revenues, expenditures, and reserves, and impose and collect assessments for common expenses from members.

10.2 Board Action. Within 30 days after adoption by the Board of Directors of any proposed regular or special budget of the Association, or any amendment, the Board must set a date for a meeting ("budget meeting") of the members to consider ratification of the budget or a budget amendment. It is the intent of the Association to hold the budget meeting at the Annual Membership meeting in December.

10.3 Date of Budget Meeting. The budget meeting may not be held sooner than 14 days nor more than 60 days after the date the notice of the meeting and a summary of the budget to the members is sent pursuant to Section 5.3.

10.4 Quorum. A quorum is required for a budget meeting.

10.5 Vote. At the budget meeting expected to be held at the annual meeting of the members, the proposed budget or amendment must be ratified by the members unless a majority of the total voting power of the Association rejects the proposed budget.

10.6 Rejection of Budget. In the event the proposed budget is rejected or the required notice and summary is not given, the periodic budget last ratified by the members will continue until the members ratify a subsequent budget proposed by the Board of Directors.

10.7 Summary of Budget. Within thirty days after adoption of any proposed budget for the Association, the Board shall provide a summary of the budget to all the Lot Owners and shall set a date for a budget meeting of the Lot Owners to consider ratification of the budget not less than fourteen nor more than sixty days after mailing of the summary. Unless at that meeting the Owners of Lots to which a majority of the votes in the Association are allocated reject the budget, the budget is ratified. In the event the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the Lot Owners shall be continued until such time as the Lot Owners ratify a subsequent budget proposed by the Board. As part of the summary of the budget provided to all Owners, if the Association is collecting reserves, the Board of Directors shall disclose to the Owners:

(a) The current amount of regular assessments budgeted for contribution to the reserve account, the recommended contribution rate from the reserve study, and the funding plan upon which the recommended contribution rate is based;

(b) If additional regular or special assessments are scheduled to be imposed, the date the assessments are due, the amount of the assessments per each Owner per month or year, and the purpose of the assessments;

(c) Based upon the most recent reserve study and other information, whether currently projected reserve account balances will be sufficient at the end of each year to meet the Association's obligation for major maintenance, repair, or replacement of reserve components during the next thirty years;

(d) If reserve account balances are not projected to be sufficient, what additional assessments may be necessary to ensure that sufficient reserve account funds will be available each year during the next thirty years, the approximate dates assessments may be due, and the amount of the assessments per Owner per month or year;

(e) The estimated amount recommended in the reserve account at the end of the current fiscal year based on the most recent reserve study, the projected reserve account cash balance at the end of the current fiscal year, and the percent funded at the date of the latest reserve study;

(f) The estimated amount recommended in the reserve account based upon the more recent reserve study at the end of each of the next five budget years, the projected reserve

account cash balance in each of those years, and the projected percent funded for each of those years; and

(g) If the funding plan approved by the Association is implemented, the projected reserve account cash balance in each of the next five budget years and the percent funded for each of those years.

(h) If the Board determines that excessive reserve funds have been collected, it may make adjustments to the amount of reserves collected in the future.

10.8 Adoption of Budget. After a proposed budget has been ratified, the Board has the power to impose and collect assessments for the common expenses from the members.

10.9 Reserve Study. The Association is not required to follow the reserve study requirements under RCW 64.38.025 and RCW 64.38.065 through 64.38.085 if the cost of the reserve study exceeds five percent of the Association's annual budget, or the Association does not have significant assets. "Significant assets" means that the current replacement value of major reserve components is seventy-five percent or more of the gross budget of the Association, excluding the Association's reserve account funds. If a reserve study is required, the Board will ensure that a reserve study is prepared and annually updated unless doing so would impose an unreasonable hardship; provided however at least every three years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional, if required by law. Any reserve study must include the components listed in RCW 64.38.070. Monetary damages or any other liability may not be awarded against or imposed upon the Association, the officers or Board of Directors of the Association, or those persons who may have provided advice or assistance to the Association or its officers or directors, for failure to: establish a reserve account; have a current reserve study prepared or updated in accordance with the requirements of Chapter 64.38 RCW; or make the reserve disclosures in accordance with the law.

10.10 Reserve Account. If reserves are collected from the Owners as part of the assessments, the Board must establish a reserve account with a financial institution to fund major maintenance, repair, and replacement of Common Areas and improvements that will require major maintenance, repair, or replacement within thirty years. If the Association establishes a reserve account, the account must be in the name of the Association. The Board is responsible for administering the reserve account. An Association may withdraw funds from its reserve account to pay for unforeseen or unbudgeted costs that are unrelated to maintenance, repair, or replacement of the reserve components. The Board shall record any such withdrawal in the minute books of the Association, cause notice of any such withdrawal to be electronically transmitted to each Owner, and adopt a repayment schedule not to exceed twenty-four months unless it determines that repayment within twenty-four months would impose an unreasonable burden on the Owners. Payment for major maintenance, repair, or replacement of the reserve components out of cycle with the reserve study projections or not included in the reserve study may be made from the reserve account without meeting the notification or repayment requirements under this section.

ARTICLE 11

AMENDMENTS TO GOVERNING DOCUMENTS

11.1 Articles and Bylaws. The Proposed amendments to the Articles will be adopted upon receiving at least two-thirds of the votes of all members represented at a meeting called for that purpose, whether present in person or by proxy, or receipt of a mail-in ballot. The Bylaws or any amendments thereto, shall be adopted upon receiving at least a majority of the votes of all members represented at the meeting, whether present in person or by proxy, or by receipt of a mail-in ballot. Proposed amendments to the Articles of Incorporation or the Bylaws of this Association must be published to the voting membership at least one regular meeting prior to voting on any proposed amendment or provided with the notice of any special meeting called for their consideration. The proposed amendments must be submitted to a vote of the membership at a regular meeting or a special meeting called for that purpose following their initial publication.

11.2 Declaration. The Declaration may be amended in the manner described in the Declaration.

ARTICLE 12

MISCELLANEOUS

12.1 Copies of Resolution. Any person dealing with the Association may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or its members when certified as a true copy by the President or Secretary of the Association.

12.2 Corporate Seal. The corporate seal of the Association, if any, may be in a form as the Board of Directors may approve.

12.3 Fiscal Year. The fiscal year of the Association will be the calendar year from January 1 through December 31.

12.4 Rules of Order. The Board of Directors may adopt rules of procedure to govern any meetings of members or directors, to the extent the rules are not inconsistent with law or the Governing Documents. In the absence of any adopted rules of procedure, the rules contained in the most recent edition of Robert's Rules of Order will govern all meetings of the members and Board of Directors where those rules are not inconsistent with any of the Governing Documents.

12.5 Decorum. One of the purposes of the Association is to engender cooperation and goodwill within the community. Therefore, any discourteous or disruptive behavior during any Board, Association, or committee meeting is prohibited.

12.6 Presiding Members. All Board, Association, and committee meetings shall be conducted by an officer of the Association or, in the case of committees, the Chairperson appointed by the Board. Meetings shall not be conducted by the managing agent, but the managing agent may provide input and presentations, if requested.

12.7 Agendas. The agendas for all Board, Association, and committee meetings shall be prepared by an officer of the Association, or in the case of committees, the Chairperson appointed by the Board. The managing agent may make recommendations to the agenda; however, the presiding officer or committee Chairperson shall make the final decision regarding meeting content.

12.8 Conflict.

12.8.1 Statute Controls. In case of any conflict between the Acts and the Articles of Incorporation and/or Bylaws of this Association, the Law will control.

12.8.2 Articles Control. If there is any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation will control.

12.8.3 Declaration Controls. If there is any conflict between the Declaration and these Bylaws, the Declaration will control.

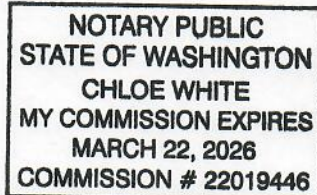
IN WITNESS WHEREOF, the President certifies that these Amended and Restated Bylaws were approved by the required percentage of members and that a majority of the Board of Directors has approved this adoption and certification.

THE VILLAS AT SALMON CREEK COMMONS HOMEOWNERS ASSOCIATION

By: Donald A. Deen, its President

STATE OF WASHINGTON)
) ss.
County of Clark)

On this 24 day of March, 2025, personally appeared before me, Dena Ann Derr, known to me to be the President of THE VILLAS AT SALMON CREEK COMMONS HOMEOWNERS ASSOCIATION, the non-profit corporation that executed the within and foregoing instrument, and acknowledged the instrument to be the free and voluntary act and deed of the Association, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the instrument.



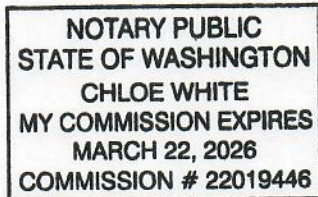
Chanelle Blue
Notary Public in and for the State of Washington
My Commission expires: March 22, 2026

ATTEST: The Amended and Restated Bylaws were properly adopted.

By: Christine Lines
_____, its Secretary

STATE OF WASHINGTON)
) ss.
COUNTY OF Clark)

On this 24 day of March, 2025, personally appeared before me,
Christine Lines, known to me to be the Secretary of THE VILLAS AT
SALMON CREEK COMMONS HOMEOWNERS ASSOCIATION, the non-profit
corporation that executed the within and foregoing instrument, and acknowledged the
instrument to be the free and voluntary act and deed of the Association, for the uses and
purposes therein mentioned, and on oath stated that he was authorized to execute the
instrument.



Chloe White
Notary Public in and for the State of Washington
My Commission expires: March 22, 2026