

Bylaws  
OF  
Springwood Association,  
a Washington Nonprofit Corporation

ARTICLE I. DEFINITIONS.

As used herein, "Declaration" means the Declaration for Springwood Townhomes, a Condominium, as recorded in King County, Washington; "Condominium" means the condominium created by the Declaration; "Declarant" is the Declarant named in the Declaration; "Declarant's right of control, or words of similar import refer to the right of the Declarant to appoint officers and directors of the corporation and require approval for certain corporate action as provided in the Declaration; "unit" means a unit in the Condominium; "Articles" means the Articles of Incorporation for this corporation; and "Bylaws" means these Bylaws. Words defined in Ch. 64.34 RCW and used in these Bylaws shall have the meaning defined by that Chapter.

ARTICLE II. MEMBERSHIP AND MEMBERS.

**Section 1. Memberships and Members.** As defined in the Articles, there shall be one membership in this corporation for each unit and no more memberships than there are units. One membership shall be appurtenant to and for each unit. The owners of a unit, not including the holder of an interest in the unit solely as security for an obligation, shall be the owners and holders of the membership appurtenant to the unit. Title to the membership shall automatically transfer with the title to the unit to which the membership is appurtenant. "Owners of a unit" includes the vendees of the unit and excludes the vendors of the unit under a real estate contract for the purchase and sale of the unit. Owners of the units shall be the members of the corporation. No person or party who is not an owner of a unit may be a member of this corporation. When a party ceases to be an owner of a unit, the party automatically ceases to be a member of this corporation. Each respective membership in this corporation shall stand in the name or names of the persons and parties who are members and owners of the unit to which the membership is appurtenant from time to time. The interest of a member and unit owner in a membership shall be the same as the owner's interest in the unit to which the membership is appurtenant, all as the interests may appear in the public record, unless the corporation has actual knowledge of persons or parties who have such interests not of public record, in which event the corporation shall recognize the interests of such persons or parties in accordance with their rights.

**Section 2. Voting.** There shall be 100 votes and no more in this corporation. Each membership shall have the number of votes allocated to it equal to the percentage of interest in the common elements of the Condominium held by the unit to which the membership is appurtenant. The vote of a membership shall be exercised by the members who hold the membership in the manner provided by the Bylaws. The corporation may cast no votes allocated to it for memberships which may be owned by this corporation because of its ownership of a unit, and in determining the percentage or number of votes required to act on any matter, the votes allocated to memberships owned by the corporation shall be disregarded.

**Section 3. Annual Meeting.** An annual meeting of the membership shall be held on the first Tuesday in the month of October in each year beginning in 1996, at 7:30 p.m. for the purpose of electing directors if any are to be elected and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Washington, the meeting shall be held on the next succeeding business day. If the annual meeting is not held on the day designated herein, the board of directors shall cause a special meeting of the membership to be held as soon thereafter as may be convenient to elect directors.

**Section 4. Special Meetings.** Unless otherwise prescribed by statute, special meetings of the membership may be called for any purpose or purposes by the president, by a majority of the board of directors, or the members holding memberships which have a total of twenty or more votes.

**Section 5. Place of Meeting.** The annual meeting or special meetings of the membership shall be held at such place in Washington as the board of directors may from time to time designate.

**Section 6. Notice of Meetings.** The secretary or any other officer of the corporation shall give notice of annual or special meetings of the membership. A written notice shall be given of each meeting of the membership stating the place, day and hour of a meeting of the membership, the purpose or purposes for which the meeting is called, and an agenda of the matters to be voted on by the membership. In the case of a meeting to consider any proposed amendment to the Declaration or Bylaws, any changes in a budget which has been previously approved which change results in a change in assessment, and any proposal to remove a director or officer, the notice shall state the general nature of the matter. Not less than ten (10) nor more than fifty (50) days in advance of any meeting of the membership, the notice of the meeting shall be hand-delivered or sent prepaid by first class United States mail to the mailing address of each unit or, if the unit owners have designated in writing a different mailing address, then to that address. If a mortgagee is entitled to notice as provided in the Declaration, then like notice of the membership meeting shall be given to the mortgagee at its address.

**Section 7. Quorum.** The presence in person or by proxy at the beginning of a meeting of members holding memberships with 25 percent of the votes shall constitute a quorum at a meeting of the membership. If a quorum is present, a majority affirmative vote of the number of votes held by memberships present and entitled to vote shall be the act of the membership unless the vote of a greater number or voting by classes is required by law, the Declaration, the Articles or the Bylaws. Meetings of the membership shall be governed by Roberts Rules of Order, current edition.

**Section 8. Method of Voting.** The vote of a membership may be exercised in person or by proxy. If only one member

of multiple members holding a membership is present at the meeting, the member is entitled to cast all of the votes to which the membership is entitled. As provided in the Declaration, if more than one member of multiple members holding a membership are present at the meeting in person or by proxy, then those members shall identify the person who shall have the right to exercise the vote of the membership, and only one person shall be entitled to exercise the vote of each membership, so that, if more than one person who has a proxy for a member holding the membership or who is a member holding the membership attempts to exercise the vote of that membership or if one of multiple members holding a membership objects to the exercise of that membership's vote, then the chair of the meeting may refuse to recognize the vote of that membership, and the membership shall be recorded as having abstained. No right to cumulate votes at the election of directors shall exist.

**Section 9. Balloting.** In order to facilitate counting and verification of votes cast on each written ballot, if requested by the chair of the meeting, the person exercising the vote for each membership shall identify on the ballot the number of the unit to which the membership is appurtenant and the vote to which the owner of that unit is entitled. After the ballots are tabulated, received and accepted, all ballots shall be destroyed and the persons who conducted the ballot count shall treat as confidential the manner in which the vote of each membership was cast. Other methods of facilitating verification of votes cast may be required to be complied with by the chair. The chair shall have the right to designate the person or persons who shall count ballots of any vote of membership. The results of the vote count shall be reported directly to the chair.

**Section 10. Voting by Certain Memberships.** The votes of memberships which are held by a corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe, or in the absence of such provision, as the board of directors of such corporation may determine. A certified copy of a resolution adopted by such directors shall be conclusive as to their action. The votes of memberships which are held by a partnership may be voted by any partner. The votes of memberships which are held by personal representatives may be voted by them, either in person or by proxy, without a transfer of such memberships into their names. The votes of memberships which are held by trustees may be voted by them either in person or by proxy, but no trustee shall be entitled to vote memberships held by him without a transfer of such memberships into his name. The votes of memberships which are held by receivers may be voted by such receivers, and memberships under the control of a receiver may be voted by the receiver without the transfer thereof into his name if authority to do so is contained in an appropriate order of the court by which such receiver was appointed.

### ARTICLE III. BOARD OF DIRECTORS.

**Section 1. Powers and Duties.** The business and affairs of the corporation shall be managed by its board of directors which shall act in all instances on behalf of the association. The directors shall do such things as may be necessary or convenient for the caretaking management of the Condominium and the operation of this corporation as the unit owners' association for the Condominium. Subject to limitations of law, the Declaration, the Articles and other provisions of the Bylaws, the directors shall have such power and authority as may be required and convenient to perform the duties of the board of directors.

**Section 2. Term and Number of Directors.** The members of the initial board of directors as designated in the Articles shall serve for an initial term ending when the right of the Declarant or persons designated by the Declarant to appoint members of the board of directors and officers terminates as set forth in the Declaration, provided that not later than 60 days after the conveyance of 25 percent of the units created by the Declaration to others than the Declarant, one of the members of the initial board of directors shall be replaced by a director elected by the vote of the membership other than the Declarant or an affiliate of the Declarant. The Declarant shall have the right to designate which member of the initial board of directors shall be replaced. Within 30 days after the expiration of the initial term of the initial board of directors, the number of directors shall be increased to six, each of whom shall then be elected by the members. Two of the directors shall then be elected for a term of one year, two of the directors shall then be elected for a term of two years and two of the directors shall then be elected for a term of three years. The term of such directors shall be extended to the day of the month on which the next annual meeting of the membership is held after the expiration of the stated term. Thereafter, at the expiration of the term of each of such directors, two directors shall be elected for a term of three years to fill the vacancy. In any event, each director shall serve until a successor is elected at an annual meeting of the membership and qualified.

**Section 3. Qualification of Directors.** After the initial term of directors ends, no person shall be qualified to be elected as director of this corporation or to continue to hold office as director of this corporation unless such person is a member of the corporation, except that an employee of a corporation which is a member or a partner or employee of a partnership which is a member shall be qualified to serve as director of this corporation. This Section shall not be amended without the unanimous consent of all membership entitled to vote.

**Section 4. Vacancies.** Regardless of the cause therefor, any vacancy occurring among the members in the initial board of directors appointed by the Declarant shall be filled by appointment by the Declarant, provided that the Declarant's right to control has not terminated. Any vacancy in the board of directors thereafter and among the members of the board of directors elected by the membership shall be filled by the remaining directors.

**Section 5. Election.** A person receiving the most votes at an election of directors shall be elected regardless whether such person receives a majority. If more than one director is to be elected at a meeting, then each director shall be elected separately so that, for example, the first vacancy shall be filled by election before the nominations are closed and the election is held for the second vacancy. Nominations shall be made separately for each vacancy, may be made by a committee appointed by the president and may be made from the floor.

**Section 6. Removal.** Except for a member of the board of directors appointed by the Declarant, any member of the board of directors may be removed with or without cause by a two-thirds vote of the membership vote present and entitled to vote at any

meeting of the membership. The Declarant may not remove any member of the board of directors elected by the membership. Prior to the termination of the Declarant's period of control, the Declarant may remove any member of the board of directors appointed by the Declarant.

**Section 7. Regular Meetings.** Without other notice than this bylaw, a regular meeting of the board of directors shall be held immediately after and at the same place as the annual meeting of the membership. The board of directors may provide by resolution the time and place, within the State of Washington as the place for holding any other regular meetings of the board of directors or committees called by them. In addition the president or any director may call a special meeting of the board of directors.

**Section 8. Notice.** Written notice of special meetings of the board of directors stating the time and place thereof shall be given at least two (2) days prior to the date set for such meeting by the person authorized to call such meeting or the secretary of the corporation either by personal delivery to each director or by mail addressed to the business address of each director or by telegram. If mailed, the notice shall be deemed to be given when deposited in the United States mail, postage prepaid, so addressed to the director. If notice is given by telegram, the notice shall be deemed given when the telegram is delivered to the telegraph company for transmission. If no place for such meeting is designated in the notice thereof, the meeting shall be held at the registered office of the corporation. Any director may waive notice of any meeting at any time. The attendance of a director at a meeting shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

**Section 9. Quorum.** A quorum shall be deemed present throughout any meeting of the board of directors if one half of the directors are present at the beginning of the meeting.

**Section 10. Manner of Acting.** The act of the majority of the directors present at a meeting or an adjourned meeting at which a quorum is present shall be the act of the board of directors unless the act of a greater number is required by the Articles or these Bylaws.

**Section 11. Delegation of Authority.** The directors may appoint a manager and authorize the manager to conduct all or any part of the day-to-day management of the Condominium and delegate such authority to the manager as the directors deem advisable, subject to such limitations as may be provided for by law, the Declaration or the Articles. The directors may appoint such committees and delegate such authority to the committees as they deem advisable.

#### ARTICLE IV. OFFICERS.

**Section 1. Number.** The officers of the corporation shall be a president, one or more vice presidents, a secretary and a treasurer, each of whom shall be elected by the board of directors. Such other officers and assistant officers as may be deemed necessary or appropriate may be elected or appointed by the board of directors. Any two or more offices may be held by the same person except each of the offices of president, secretary and treasurer shall be held by different persons.

**Section 2. Election and Term of Office.** The officers of the corporation to be elected by the board of directors may be elected for such term as the board may deem advisable not to exceed three years. Officers of the corporation shall be elected at the first meeting of directors following the expiration of the term of office. Each officer shall hold office until his successor shall have been duly elected and qualified regardless of his term of office, except in the event of his prior death or resignation or his removal in the manner hereinafter provided.

**Section 3. Duties.** The officers of the corporation shall have such powers and authority as may be conferred by the directors from time to time. In addition thereto, the president shall be the principal executive officer of the corporation and shall preside as chair at all meetings of the membership and board of directors, and shall execute on behalf of the corporation all contracts and other documents as may be authorized from time to time by the directors. The secretary shall be the custodian of the records of the corporation, shall cause minutes of the meetings of the membership and board of directors to be prepared, and shall give notices of meetings in accordance with the requirements of these Bylaws. The treasurer shall direct the custody of the funds of this corporation as directed by the board of directors and supervise keeping of the books of account of such funds. The officers shall perform such duties and have such powers as are customarily associated with their respective offices and as may be provided for elsewhere in these Bylaws and by law.

**Section 4. Removal.** Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights or rights to compensation.

**Section 5. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term.

**Section 6. Execution of Amendments to Declaration.** The president or the secretary of the corporation shall be authorized to prepare, execute, certify and record amendments to the Declaration on behalf of this corporation.

**Section 7. Contracts.** The board of directors may authorize any officer or officers or this corporation or any agent or agents to execute any contract in the name of and on behalf of the corporation, and that authority may be general or confined to specific instances. A director or officer of the corporation shall not be disqualified by his office from dealing or contracting with the corporation either as a vendor purchaser, creditor, debtor or otherwise. The fact that any director or officer, or any firm of which any director of the corporation is a member, officer or director, is in any way interested in any transaction or contract shall not make the transaction or contract void or voidable, or require the director or officer of the corporation to account to the corporation for any

profits therefrom if the transaction or contract is or shall be authorized, ratified or approved by vote of a majority of a quorum of the board of directors excluding the interested director or by the membership at a meeting of membership.

#### ARTICLE V. MISCELLANEOUS.

**Section 1. Loans.** No loans shall be contracted by or on behalf of the corporation, and no evidence of indebtedness shall be issued in its name unless authorized by an affirmative vote of the membership. That authority shall be confined to specific instances. No loans shall be made by the corporation to members, officers or directors of this corporation.

**Section 2. Moneys and Checks, Etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by at least two persons who are officers or directors of the corporation as designated from time to time by resolution of the board of directors. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in the banks, trust companies or other depositories as the board of directors may select. The funds of the corporation shall not be commingled with the funds of any other corporation or with the funds of any manager or other person responsible for custody of such funds. Reserve funds of the corporation shall be kept in a segregated account.

**Section 3. Informal Action by Holders of Memberships or Directors.** Any action required to be taken at a meeting of the membership or directors or any other action which may be taken at a meeting of the membership or director may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by holders of all the memberships or directors entitled to vote with respect to the subject matter thereof.

**Section 4. Waiver of Notice.** Whenever any notice is required to be given to the holder of any membership or to any director of the corporation under the provisions of the Bylaws, Articles or law, a waiver thereof in writing, signed by the person or persons entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of notice.

**Section 5. Rules.** Subject to limitations contained in the Declaration, rules governing the use of the Condominium may be adopted, changed, amended and repealed and replaced by the directors. When so adopted and communicated to the unit owners, such rules shall be complied with and may be enforced by this corporation by legal action as provided by law. Communication of a rule shall be complete upon all of the owners of a unit when a copy of the rule is either mailed or hand-delivered to the address to which notice of membership meetings is required to be given. Any part or all of any rule may be amended, altered, changed, repealed or replaced at any membership meeting called for that purpose.

**Section 6. Amendments.** Subject to the provisions of the Declaration requiring consent of mortgagees in certain instances, these Bylaws may be altered, amended, or repealed and new bylaws may be adopted by the affirmative vote of the membership at any meeting of the membership called for that purpose. Notice of a meeting to amend the Bylaws shall state the general nature of the proposed amendment to the Bylaws. No amendment to the Bylaws shall be adopted unless it is first read at two consecutive meetings of the membership and if reduced to writing before the first meeting at which the proposed amendment is read.

The foregoing was adopted as the Bylaws of the corporation at the first meeting of directors held on October 9, 1995.

  
Johanna M. Colman, Secretary

as shall be determined by the directors from time to time in accordance with the provisions of the Act and of the Declaration for the Condominium. Each membership shall have a vote as provided in the Declaration for the Condominium, which vote shall be exercised as provided in the bylaws of the corporation. The membership's vote may be exercised in person or by proxy in the manner provided in the bylaws. In accordance with the provisions of the Declaration for the Condominium, the Declarant named therein or persons designated by the Declarant shall have the right to appoint and remove officers and members of the board of directors of the corporation or the Declarant may require the Declarant's approval as a condition to taking certain actions by the corporation.

#### VI. REGISTERED OFFICE AND AGENT

The address of the initial registered office of the corporation is 6510 Southcenter Blvd., Suite 1, Tukwila, Washington, 98188, and the name of the initial registered agent of this corporation at such address is Harry J Schneider.

#### VII. DIRECTORS

The initial board of directors shall be constituted of three directors. The names and addresses of the persons who are to serve as the initial directors are:

Harry J. Schneider  
6510 Southcenter Blvd., Suite 1  
Tukwila, WA 98188

Murray D. Dick  
6510 Southcenter Blvd., Suite 1  
Tukwila, WA 98188

Johanna M. Colman  
6510 Southcenter Blvd., Suite 1  
Tukwila, WA 98188

The members of the initial board of directors shall serve for an initial term ending when the right of the Declarant or persons designated by the Declarant to appoint members of the board of directors and officers terminates as set forth in the Declaration for the Condominium, provided that not later than 60 days after the conveyance of 25 percent of the units created by the Declaration for the Condominium to others than the Declarant, one of the members of the initial board of directors shall be replaced by a director elected by the vote of the members other than the Declarant or an affiliate of the Declarant. The Declarant shall have the right to designate which member of the initial board of directors shall be replaced.

#### VIII. INCORPORATOR

The name and address of the incorporator is Harry J. Schneider, 6510 Southcenter Blvd., Suite 1, Tukwila, Washington 98188.

#### IX. DISSOLUTION

In the event of dissolution of the corporation, after payment and satisfaction of the

liabilities of the corporation, the net assets of the corporation shall be distributed among persons and parties holding its respective memberships in the proportion that the interest in the common elements of the Condominium is allocated to the unit to which the membership is appurtenant.

#### X. INDEMNIFICATION OF OFFICERS AND DIRECTORS

No director shall be personally liable to the corporation or to any of its members for monetary damages for conduct as a director; provided that this provision shall not eliminate or limit the liability of a director for acts or omissions that involve intentional misconduct by the director or a knowing violation of law by a director or for any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. In addition to and without limiting the foregoing, to the full extent permitted by law, each officer and director of this corporation shall be indemnified by the corporation from and on account of any liability for acts or omissions occurring during the course of business or activities undertaken on behalf of the corporation. This indemnification shall include indemnification against all costs and expenses, including attorneys' fees, litigation costs, civil penalties, fines and other charges incurred incident thereto. However, this indemnification shall not apply in any action by or on behalf of the corporation against an officer or director in which action the officer or director has been adjudged liable to the corporation or to any proceeding charging improper personal benefit to the officer or director, whether or not involving action in the officer's or director's official capacity, in which proceeding the officer or director has been adjudged liable on the basis of the officer's or director's improper receipt of a personal benefit. To the extent that it is necessary for the directors to implement this indemnification, at the request of an officer or director, the directors shall take such action as is appropriate and allowable to implement this indemnification.

DATED: September \_\_\_\_\_, 1995.

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Harry J. Schneider