

**BYLAWS
OF
SILVER LAKE FOREST RESERVE ASSOCIATION**

The following are the Bylaws of the Silver Lake Forest Reserve Association (“Association”). The Association is the association of owners of Lots subject to the Declaration of Easements, Covenants and Restrictions (Silver Lake Forest Reserve Association) dated May 10, 2006 as recorded under Cowlitz County Recording No. 3297125, as amended (“Declaration”). Each owner of a Lot including, without limitation, the owner of any Lot created by the further subdivision, shall automatically, by virtue of ownership of a Lot subject to the Declaration be a member of the Association.

Capitalized terms used in these Bylaws, but not otherwise defined herein, shall have the respective meanings set forth in the Declaration. In the event of an inconsistency between these Bylaws and the Declaration, the Declaration shall prevail.

ARTICLE I

Membership; Voting; Register

(1) Membership. Each owner of a Lot (including Declarant) shall automatically be a member of the Association (the “Member”). Associations, partnerships, and other legal fiduciaries, as well as natural persons, may be Members of the Association. Ownership of a Lot (including, without limitation, ownership of any Lot created by the further subdivision or platting of the tracts created by the Plat) shall be the sole qualification for membership in the Association. The Association membership of each owner shall be appurtenant to the ownership of the Lot (pursuant to a deed or as purchaser under a real estate or land contract) giving rise to such membership and shall not be transferred in any way except upon the transfer of title to the Lot and then only to the transferee of title or upon execution and delivery of a contract for the sale of, or of an assignment of a contract purchaser’s interest in any Lot and then only to the contract purchaser. Any attempt to make a prohibited transfer of membership in the Association shall be void.

(2) Voting.

(a) Each owner shall have one (1) vote for each Lot owned, whether improved or not. When more than one person is an owner of any Lot, all such owners shall be Members. The vote for each Lot shall be exercised as the owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event that the owners of any Lot disagree among themselves as to how the one vote for the Lot shall be exercised with respect to a pending matter, any one of such owners may deliver written notice of such dispute to the President or Secretary of the Association, and the vote for that Lot shall then be disregarded completely with respect to the matter or matters before the Association at that meeting. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of said property interest to a new owner or owners shall operate to transfer the appurtenant vote without the requirement of any expressed reference thereto.

(b) In the event any Member shall be in arrears in the payment of assessments due or shall be in default of the performance of any of the terms of the Declaration for a period of thirty (30) days or more, said Member's right to vote shall be suspended and shall remain suspended until all payments are brought current and all defaults remedied.

(3) Register of Members. The Board of Directors shall cause a register to be kept containing the names and addresses of all Members. Persons who purchase an interest in a Lot shall promptly inform the Board of Directors of their interest. Persons who claim to be Members shall, upon request, furnish the Board of Directors with copies of any documents under which they assert ownership of a Lot or any interest therein, and any mortgages thereon.

ARTICLE II

Meetings of the Association

(1) Place. Meetings of the Association shall be held at such reasonable place as may be convenient to the membership and designated from time to time by the Board of Directors.

(2) Annual Meeting. The annual meeting of the Association shall be held in the fourth quarter of each fiscal year, on a date fixed by the Board of Directors. At such annual meeting, the owners shall elect members of the Board of Directors or fill vacancies therein, and transact such other business as shall properly come before the meeting.

(3) Special Meetings. The President, a majority of the Board of Directors, or Lot owners having ten percent (10%) of the votes in the Association may call a special meeting of the Association. No business shall be transacted at a special meeting except as stated in the notice given therefor.

(4) Notice of Meetings. It shall be the duty of the Secretary to give notice of each annual and special meeting to each Member. The notice of any meeting shall state the time and place of the meeting and 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 articles of incorporation of the Association (the "Articles of Incorporation"), Declaration or Bylaws, any budget or changes in the previously approved budget that result in a change in assessment obligation, and any proposal to remove a Director. Not less than fourteen (14) nor more than sixty (60) days in advance of any meeting, the Secretary shall cause notice to be hand-delivered or sent prepaid by first class United States mail to the mailing address of each Member or to any other mailing address designated in writing by the Members.

(5) Waiver of Notice. Before any meeting of the Association, any Member may, in writing, waive notice of such meeting. Attendance by a Member at a meeting of the Association shall be a waiver by him or her of timely and adequate notice unless he or she expressly challenges the notice when the meeting begins.

(6) Quorum. The presence at the beginning of the meeting, in person or by proxy of Members or voting representatives holding thirty-four percent (34%) of the total voting power shall constitute a quorum for the transaction of business at any meeting of the Association.

(7) Proxies. Votes allocated to a Lot may be cast pursuant to a proxy duly executed by an owner. If a Lot is owned by more than one person, each owner may vote or register protest to the casting of votes by the other owners of the Lot through a duly executed proxy. An owner may not revoke a proxy given pursuant to this Section (7) except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or if it purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after the date of its issuance.

(8) Adjournment of Meetings. If any meeting of the Association cannot be organized because a quorum has not attended, the owners present in person or by proxy may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

(9) Majority Vote. Except as otherwise provided by statute, by the Declaration or by these Bylaws, passage of any matter submitted to vote at a meeting where a quorum is in attendance, shall require the affirmative vote of at least fifty-one percent (51%) of the voting power present.

(10) Order of Business. The order of business at meetings of the Association shall be as follows unless dispensed with on motion:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of Directors (annual meeting or special meeting called for such purpose);
- (g) Unfinished business;
- (h) New business;
- (i) Adjournment.

(11) Parliamentary Authority. In the event of a dispute, the parliamentary authority for the meetings shall be the most current available edition of Robert's Rules of Order or such other published code of parliamentary procedure as shall be approved by a majority at the meeting.

ARTICLE III

Offices

(1) **Registered Office and Registered Agent.** The registered office of the Association shall be located in the State of Washington at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.

(2) **Other Offices.** The Association may have other offices within or outside the State of Washington at such place or places as the Board of Directors may from time to time determine.

ARTICLE IV

Board of Directors

(1) **Number and Powers.** The management of all the affairs, property and interest of the Association shall be vested in a Board of Directors, consisting of five (5) persons, who shall hold such office until resignation, removal by the Members, or until the annual election of Directors and until their successors are elected and qualified. Only Members are eligible for election to the Board of Directors. In addition to the powers and authorities expressly conferred upon it by these Bylaws and the Articles of Incorporation, the Board of Directors may exercise, in good faith, all such powers of the Association and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances, and do all such lawful acts as are allowed by Washington law. On the Members shall act on behalf of the Association to amend the Articles of Incorporation, to take any action that requires the vote or approval of the Members, to terminate the Association, to elect members of the Board of Directors (except pursuant to Section (5) of this Article), or to determine the qualifications, powers and duties, or terms of office of members of the Board of Directors.

(2) **Directors During Declarant Control.** The Directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant so long as the Declarant period exists, as set forth in the Declaration, unless the Declarant shall earlier surrender this right to select Directors. The directors selected by the Declarant need not be owners or residents in Silver Lake Forest Reserve. After the period of Declarant appointment, all Directors must be members of the Association.

(3) **Nomination.** For every election to the Board of Directors, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two (2) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors at least thirty (30) days prior to each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Trustees as it shall in its discretion determine, but no less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-Members.

(4) Change of Number. The number of Directors may at any time be increased or decreased by amendment of these Bylaws; however, in no event shall the Board of Directors be comprised of less than three (3) Directors or more than five (5) Directors, and no decrease shall have the effect of shortening the term of any incumbent director.

(5) Term of Office. The terms of the initial Directors shall be as follows: (a) one-third of the initial Directors shall be elected for a one-year term, (b) the second-third shall be elected for a two-year term, and (c) the last third shall be elected for a three-year term. Except for initial Directors, the normal term of the Directors shall be three (3) years and until their successors are elected and qualified. The term of office for Directors shall begin upon the adjournment of the annual meeting of the Association at which they are elected. The normal term of office for Directors will be for three (3) years and until their successors are elected and take office.

(6) Vacancies. All vacancies in the Board of Directors, whether caused by resignation, death or otherwise, except removal by the Members, may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director so appointed to fill any vacancy shall hold office until resignation, removal by the Members, or until the annual election of Directors and a successor is elected and qualified.

(7) Removal of Directors. At any annual or special meeting of the Association, the owners by a majority of the voting power in the Association present, in person or by proxy, and entitled to vote at any meeting of the Association at which a quorum is present, may remove any member of the Board of Directors with or without cause. A successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term.

(8) Budget of the Association. Within thirty (30) days after adoption by the Board of Directors of any proposed regular or special budget of the Association, the Board shall set a date for a meeting of the Association to consider ratification of the budget not less than fourteen nor more than sixty (60) days after mailing of the summary of the budget. Unless at that meeting the owners of a majority of the votes in the Association reject the budget, in person or by proxy, the budget is ratified, whether or not 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 shall be continued until such times as the owners ratify a subsequent budget proposed by the Board of Directors.

(9) Meetings of the Board of Directors. All meetings of the Board of Directors shall be open for observation by all Lot owners of record and their authorized agents. Upon the affirmative vote in open meeting to assemble in closed session, the Board of Directors may convene in closed executive session to consider personnel matters, consult with legal counsel or consider communications with legal counsel and discuss likely or pending litigation, matters involving possible violations of the governing documents of the Association, and matters involving the possible liability of a Lot owner to the Association. The motion shall state specifically the purpose for the closed session. Reference to the motion and the stated purpose for the closed session shall be included in the minutes. The Board of Directors shall restrict the

consideration of matters during the closed portions of meeting 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 such motion, or other action which is reasonably identified.

(10) Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, telephone or telegraph, at least three (3) days before the day fixed for the meeting.

(11) Annual Meeting - Time and Place. The annual meeting of the Board of Directors for the transaction of such business as may properly come before the meeting, shall be held each year within the ten (10) days following the annual meeting of the Association or such other date and time as the Board of Directors shall determine. Such meeting shall be held at the principal place of business of the Association or at such other place or places, either within or without the State of Washington, as the Board of Directors, may from time to time designate.

(12) Annual Meeting - Order of Business. At the annual meeting of Directors, the order of business shall be as follows:

- (a) Calling the meeting to order.
- (b) Proof of notice of meeting (or filing waiver).
- (c) Reading of minutes of last meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of officers.
- (g) Miscellaneous business.
- (h) Adjournment.

(13) Special Meetings. Special meetings of the Board of Directors, or of any committee designated by the Board of Directors, may be called at any time by the President, or in the President's absence or upon written request, by any two Directors, to be held at the registered office of the Association or at such other place or places as the Directors may from time to time designate.

(14) Notice.

(a) Notice of the annual meeting of Directors shall be given by delivering personally or by mailing a written or printed notice of the same, at least ten (10) days, and not more than sixty (60) days, prior to the meeting.

(b) Notice of all special meetings of the Board of Directors shall be given to each Director three (3) days in advance of such meetings by telegram, by letter, or personally. Such notice need not specify the business to be transacted at, or the purposes of, the meeting.

(c) Whenever the Declaration requires that an action of the Board of Directors be taken after “notice and opportunity to be heard,” the Board of Directors shall give written notice of the proposed action to all Members, tenants, or occupants of Lots whose interest would be significantly affected by the proposed action. The notice shall include a general statement of the proposed action and the date, time and place of the hearing, which shall be not less than five (5) days from the date notice is delivered pursuant to Article II(4) hereof. At the hearing, the affected person shall have the right, personally or by a representative, to give testimony orally, in writing, or by both (as specified in the notice), subject to reasonable rules or procedure established by the Board of Directors to assure a prompt and orderly resolution of the issues.

(15) Waiver of Notice. Attendance of a Director or a committee member at a meeting shall constitute a waiver of notice of such 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 is 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, shall be equivalent to the giving of notice.

(16) Quorum. A majority of the whole Board of Directors shall be necessary and sufficient at the beginning of all meetings to constitute a quorum for the transaction of business. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless a greater number is required by law.

(17) Registering Dissent. A Director who is present at a meeting of the Board of Directors at which action on a corporate matter is taken shall be presumed to have assented to such action unless the Director’s dissent shall be entered in the minutes of the meeting, or unless the Director shall file a written dissent to such action with the person acting as the secretary of the meeting, before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

(18) Committees. The Board of Directors, by resolution adopted by a majority of the Directors, may designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Association provided that no such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Association; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation or association; 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; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for distribution of the assets of the Association; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the

delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director of any responsibility imposed upon it or him by law.

(19) Remuneration. No stated salary shall be paid to the Directors, as such, for their service, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; provided, that nothing herein contained shall be construed to preclude any Director from serving the Association in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

(20) Loans. The Association shall not lend money or credit to its Directors.

(21) Disbursement. The Association shall not make any disbursements of income to any Director.

(22) Action by Directors without a Meeting. Any action required or which may be taken at a meeting or the Board of Directors, or of a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the Directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

(23) Action of Directors using Communications Equipment. Directors may participate in a meeting of Board 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 such means shall constitute presence in person at a meeting.

ARTICLE V

Officers

(1) Designations. The officers of the Association shall consist of a President, a Secretary and a Treasurer, and as the Board of Directors deems appropriate, a Vice President, Assistant Secretary and Assistant Treasurer, all of whom shall be elected by and from among the Directors and who shall hold office until their successors are elected and qualified. Any two or more offices may be held by the same person, except the offices of President and Secretary.

(2) Election of officers. The officers of the Association shall be elected annually by the Board of Directors at the first Board meeting after the annual meeting of the Association.

(3) The President. The President shall be the Chief Executive Officer of the Association and shall be the principal operating and administrative officer of the Association and shall be generally responsible for the proper conduct of the business of the Association. The President shall possess power to sign all certificates, contracts and other instruments of the Association, and shall also have the power to prepare, certify and record amendments to the governing documents on behalf of the Association. The President shall preside at all meetings of the Board of Directors. The President shall perform all such other duties as are incident to the office or are properly required of the President by the Board of Directors. The President shall act as liaison from and as spokesperson for the Board of Directors. The President shall participate in long-range planning for the Association and shall be available to the other officers of the Association for consultation. The President shall have such other powers and perform such other duties as from time to time may be conferred or imposed upon the President by the Board of Directors.

(4) Vice-Presidents. During the absence or disability of the President, the Executive Vice-Presidents, if any, and the Vice-Presidents in the order designated by the Board of Directors, shall exercise all the functions of the President. Each Vice-President shall have such powers and discharge such duties as may be assigned to each Vice President from time to time by the Board of Directors.

(5) Secretary and Assistant Secretary. The Secretary shall issue notices for all meetings, except for special meetings of the Directors which are called in accordance with Article IV (12) hereof, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to the office, or are properly required of the Secretary by the Board of Directors. The Assistant Secretary, or Assistant Secretaries in the order designated by the Board of Directors, shall perform all of the duties of the Secretary during the absence or disability of the Secretary, and at other times may perform such duties as are directed by the President or the Board of Directors.

(6) Treasurer and Assistant Treasurer. The Treasurer shall have the custody of all moneys of the Association and shall keep regular books of account. The Treasurer shall disburse the funds of the Association in payment of the just demands against the Association or as may be ordered by the Board of Directors, in accordance with the approved annual budget or any approved supplemental budget, taking proper vouchers for such disbursements, and shall render to the Board of Directors on a monthly basis an accounting of all transactions made as Treasurer and of the financial condition of the Association. The Treasurer shall perform such other duties incident to the office or that are properly required of the Treasurer by the Board of Directors. The Assistant Treasurer, or Assistant Treasurers in the order designated by the Board of Directors, shall perform all of the duties of the Treasurer in the absence or disability of the Treasurer, and at other times may perform such other duties as are directed by the President or the Board of Directors.

(7) Delegation. In the case of absence or inability to act of any officer of the Association and of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer or any Director or other person whom it may select.

(8) Vacancies. Vacancies in any office arising from any cause may be filled by the Board of Directors at any regular or special meeting of the Board.

(9) Other Officers: The Board of Directors may appoint such other officers and agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

(10) Term of Office and Removal. The officers of the Association shall hold office until their successors are appointed and qualified. Any officer or agent elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

(11) Bonds. The Board of Directors may, by resolution, require any and all of the officers to give bonds to the Association, with sufficient surety or sureties, conditioned for the faithful performance of the duties of their respective offices, and to comply with such other conditions as may from time to time be required by the Board of Directors.

ARTICLE VI Depositories

The moneys of the Association shall be deposited in the name of the Association in such bank or banks or trust company or trust companies as the Board of Directors shall designate, and shall be drawn out only by check or other order for payment of money signed by such persons and in such manner as may be determined by resolution of the Board of Directors.

ARTICLE VII Notices

Except as may otherwise be required by law, any notice to any Director, any owner or any other person entitled to notice may be delivered personally or by mail. If mailed, the notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the addressee at his or her last known address in the records of the Association, with postage thereon prepaid.

ARTICLE VIII

Seal

The corporate seal of the Association, if any, shall be in such form and bear such inscription as may be adopted by resolution of the Board of Directors, or by usage of the officers on behalf of the Association.

ARTICLE IX

Books and Records

(1) **Books and Records Kept.** The Association shall keep at its registered office, its principal office in this state, or its secretary's office if in this state, the following:

- (a) Current Declaration, Articles of Incorporation and Bylaws;
- (b) Complete, detailed and accurate books and records of the receipts and expenditures of the Association;
- (c) A record of the names and addresses of the officers and Directors;
- (d) A Register of all Members of the Association;
- (e) Minutes of the proceedings of the Board of Directors, and any minutes which may be maintained by committees of the board. Records may be written, or electronic if capable of being converted to writing;
- (f) Annual financial statements of the Association.

(2) **Inspection of Books and Records.** The books and records, authorizations for payment of expenditures, and all contracts, documents, papers and other records of the Association shall be available for examination by the owners, mortgagees and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

ARTICLE X

Amendments

(1) **Procedures.** A Director or an owner may propose to the Board amendments to these Bylaws. A majority of the members of the Board of Directors may cause a proposed amendment to be submitted to the Members for their consideration. If an amendment is proposed by owners of twenty percent (20%) or more of the Lots, then irrespective of whether the Board of Directors concurs in the proposed amendment, it shall be submitted to the Members for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all persons (including Eligible Holders as defined in the Declaration) entitled to receive notices.

(2) Percentages of Consent Required. Except to the extent provided otherwise in the Declaration and Articles of Incorporation, a majority of the total voting power is required for adoption of amendments to these Bylaws.

(3) Emergency Bylaws. The Board of Directors may adopt emergency Bylaws which shall be operative during an emergency-in the conduct of the business of the Association resulting from an attack on the United States or any state of emergency declared by the federal government or any subdivision thereof, or any other catastrophic event.

ARTICLE XI
Authority of the Association

(1) The Association acting by and through the Board of Directors, its officers, manager, employees or its other authorized agents or representatives shall have the powers set out in Article 5 of the Declaration which is by this reference incorporated herein.

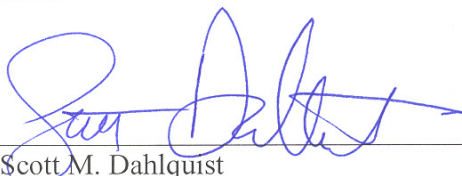
(2) In exercising its duties with regard to common expenses and assessments, the Association shall act in accord with Article 7 of the Declaration, which is by this reference incorporated herein.

We, the undersigned, being all the Directors of Silver Lake Forest Reserve Association, do hereby certify:

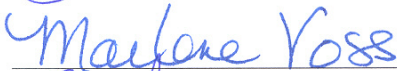
That we are entitled to exercise all the voting power of said Corporation; and

That we hereby assent to the within and foregoing Bylaws and hereby adopt the same as the Bylaws of said Corporation.

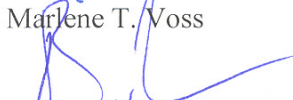
IN WITNESS WHEREOF, we have hereunto subscribed our names this 10 day of May, 2006.



Scott M. Dahlquist



Marlene T. Voss



Bradley L. Johnson