

BYLAWS

OF

REGENCY WOODS DIVISION IV HOMEOWNERS ASSOCIATION
A Washington Non-Profit Corporation

1.1 Registered Office. The registered office of Regency Woods Division IV Homeowners Association, a Washington non-profit corporation (the "Corporation") in the State of Washington shall be located at 31620 - 23rd Avenue South, Suite 320, Federal Way, Washington 98003, or at such other place as may be fixed from time to time by the Board of Directors of the Corporation ("Board of Directors") upon filing the notices required by law. The registered agent shall have a business office at the registered office.

ARTICLE II
MEETINGS OF MEMBERS

2.1 Definitions.

- 2.1.1 "Lot" or "Lots" shall mean designated parcels of real property within the plat of Regency Woods Division IV.
- 2.1.2 "Member" or "Members" shall be defined as set forth in Article III, Section 1 of the Articles of Incorporation of Regency Woods Division IV Homeowners Association.

2.2 Place of Meetings. Meetings of the Members shall be held at the principal offices of the Corporation, or at such other locations as shall be designated by the Board of Directors, and shall be stated in the notice of meeting or in a duly executed waiver thereof.

2.3 Annual Meetings. Subject to the terms of the Declaration of Protective Covenants, Conditions and Restrictions, Regency Woods Division IV ("Declaration"), the annual meeting of the Members shall be held at 9:00 o'clock, a.m., on the first (1st) day of May of each year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day at the same time, or at such other date and time as may be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver thereof. At such annual meeting, the Members shall, subject to the Declaration and section 3.3 hereof, elect by vote a Board of directors, consider reports of the affairs of the Corporation, and transact such other business as may be properly brought before the meeting.

2.4 Special Meetings. Special meetings of the Members may be called at any time by the president, the Board of Directors or by the secretary at the request of not less than one-fourth (1/4th) of the Members entitled to vote at such meeting.

2.5 Notice of Meetings.

(a) Written notice of each annual and special meeting of Members stating the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given to each Member of record entitled to vote there at not less than thirty (30) days before the date of the meeting, either personally or by mail. If mailed, such notice shall be deemed to be timely delivered if deposited in the United States mail, addressed to the Member at his address as it appears in the records of the Corporation, with postage prepaid, return receipt requested, at least three (3) days before notice is due. Notice of any meeting shall not be required to be given to any person who attends such meeting, except when such person attends the meeting in person or by proxy for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(b) When a meeting is adjourned to another time or place, no notice of the adjourned meeting other than by an announcement at the meeting need be given unless the adjournment is for more than thirty (30) days or a new record date is fixed for the adjourned meeting after such adjournment.

2.6 Waiver of Notice. A Member may waive notice of any annual or special meeting of Members by attending said meeting or by signing a written waiver of notice, in person or by proxy, either before or after the date of such meeting. Neither the business to be transacted at, nor the purpose of, an annual or special meeting of Members need be specified in any written waiver of notice.

2.7 Quorum. A majority of the Members entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all Members meetings. If a quorum shall not be present or represented by proxy, a majority of the Members present in person or represented by proxy, may adjourn the meeting from time to time without further notice until a quorum shall be present in person or represented by proxy. At such later meeting at which a quorum shall be present or represented by proxy, any business may be transacted that might have been transacted at the meeting as originally called. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum. If a quorum is present, the affirmative vote of a majority of the Members represented at the meeting and voting on the subject matter shall be the act of the Members, unless the vote of a greater number is required by these Bylaws, the Declaration, the Articles of Incorporation or the Washington Non-Profit Corporation Act.

2.8 Proxies. Each person entitled to vote at a Members meeting of the Corporation, or entitled to execute a written consent authorizing action in

lieu of a meeting, may do so either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

2.9 Noncumulative Voting. At each election for directors every Member entitled to vote at such election shall have the right to vote, in person or by proxy, the number of Lots owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, but such Member shall not have the right to cumulate his votes or to vote in any other fashion.

2.10 Action by Members Without a Meeting. Any action required or permitted to be taken at a Members meeting may be taken without a meeting if a written consent setting forth the action so taken is signed by all Members entitled to vote with respect to the subject matter thereof. Any such consent shall be inserted in the minute book as if it were the minutes of a Members meeting.

2.11 Telephonic Meeting. The Members may participate in a meeting of the Members 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. Participation by such means shall constitute presence in person at a meeting.

ARTICLE III BOARD OF DIRECTORS

3.1 Powers. The business and affairs of the Corporation shall be managed by the Board of Directors which shall exercise or direct the exercise of all corporate powers except to the extent Member authorization is required by law, the Articles of Incorporation, the Declaration, or these Bylaws. The Board of Directors shall enforce the provisions of the Declaration. In the event any Member fails to make any payment set forth in the Articles of Incorporation, the Declaration, or these Bylaws in a timely manner, the Corporation, shall have a consensual lien upon the defaulting Member's Lot. Said lien shall be enforced and foreclosed in the manner prescribed for labor and material liens within the State of Washington. In the event that the services of an attorney are required to enforce the lien rights granted, then in addition to the monies owing to the Corporation, there shall be assessed reasonable attorney's fees and costs, together with interest at the rate of twelve percent (12%) per annum from the date the obligation becomes due until paid.

3.2 Number. The number of directors constituting the initial Board of Directors was three (3). Hereafter, the number of directors constituting the Board of Directors shall be two (2) and the number of directors may hereafter be fixed from time to time, by the affirmative vote of a majority of the entire Board of Directors or by amendment of these Bylaws. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office unless the director consents to such removal or resigns.

3.3 Election and Term of Office. Except for the initial directors, each director shall be elected by ballot at the annual meeting of the Members, and shall serve until the next annual meeting or until a successor shall have been

elected and qualified, or until his death, or until he shall have resigned, or have been removed, as hereinafter provided in these Bylaws. The term of office shall begin immediately upon election. The directors, other than the initial directors, must be record owners of a Lot. The tenure of the initial Board of Directors shall be equal to the tenure of the initial Architectural Control Committee as set forth in Article I, Section 1.3 of the Declaration.

3.4 Vacancies.

(a) A vacancy in the Board of Directors shall exist upon the death, resignation, or removal of any director and in the event an amendment of the Bylaws is adopted increasing the number of directors.

(b) Vacancies in the Board of Directors shall be filled by a vote of a majority of the directors though less than a quorum. Each director so elected shall hold office for the balance of the unexpired term of his predecessor and until his qualified successor is elected and qualified. Any directorship that is to be filled by reason of an increase in the number of directors shall be filled by a vote of a majority of the Board of Directors. Each director so elected shall hold office until the next election of directors by the Members.

(c) The Members may at any time elect a director to fill any vacancy not filled by the directors.

(d) If the Board of Directors accepts the resignation of a director tendered to take effect at a future time, a successor may be elected to take office when the resignation becomes effective.

(e) During the existence of any vacancy, the remaining directors shall possess and may exercise all powers vested in the Board of Directors, notwithstanding the lack of a quorum of the Board of Directors.

3.5 Removal of Directors. Subject to the terms of Section 3.3 hereof, at a meeting of Members called expressly for that purpose, one or more directors, including the entire Board of Directors, may be removed, with or without cause, by a vote of a majority of the Members then entitled to vote at an election of directors. This provision shall not apply to the initial Board of Directors.

3.6 Place of Meetings. Meetings of the Board of Directors shall be held at such place or places, within or without the state of Washington, as may be designated from time to time by the Board of Directors or as shall be specified in the notice of any such meeting.

3.7 Annual Meeting. The Board of Directors shall meet for the purpose of organization, the election of officers and the transaction of other business, as soon as practicable after each annual meeting of Members, on the same day and at the same place where such annual meeting shall be held. Notice of such meeting need not be given. In the event such annual meeting is not so held, the annual meeting of the Board of Directors may be held at such other time or place (within or without the state of Washington) as shall be specified in a notice thereof given as provided in Section 3.10 of this Article III.

3.8 Regular Meetings. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors may fix. If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, the meeting shall instead be held at the same hour on the next succeeding business day. Notice of regular meetings of the Board of Directors need not be given except as otherwise required by statute or these Bylaws.

3.9 Special Meetings. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the president, by the secretary, or by any two directors.

3.10 Notice of Special Meetings. Written notice of each special Board of Directors meeting shall be given at least two (2) days before the meeting. Notice shall be deemed given upon receipt or upon mailing, postage prepaid, return receipt requested, at least three (3) days prior to the date notice is due. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

3.11 Quorum. A majority of the number of directors specified in Article III, Section 3.2, of these Bylaws shall constitute a quorum for the transaction of business. A minority of the directors, in the absence of a quorum, may adjourn the meeting from time to time but may not transact any business.

3.12 Manner of Acting. The action 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 the vote of a greater number is required by these Bylaws or the Washington Non-Profit Corporation Act.

3.13 Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, including an Architectural Control Committee pursuant to Article I, Section 1.3 of the Declaration. Each committee to consist of two or more of the directors of the Corporation except that the initial Architectural Control Committee may be comprised of persons other than directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Except to the extent restricted by statute, the Declaration, or the Articles of Incorporation, each such committee, to the extent provided in the resolution creating it, shall have and may exercise all powers and authority of the Board of Directors. Each such committee shall serve at the pleasure of the Board of Directors except the Architectural Control Committee which shall be appointed and have a tenure according to the terms of Article I, Section 1.3 of the Declaration. Each committee shall have such name as may be determined from time to time by resolution adopted by the Board of Directors.

Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors. The designation of any committee and the delegation of authority thereto shall not relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

3.14 Action by Directors Without a Meeting. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all of the directors or such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of the proceedings of the Board of Directors of such committee, as the case may be.

3.15 Telephonic Meeting. Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation by such means shall constitute presence in person at the meeting.

3.16 Presumption of Assent. A director of the Corporation present at a Board of Directors meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless said director's dissent is entered in the minutes of the meeting or unless a written dissent to such action is filed with the person acting as the secretary of the meeting before the adjournment thereof or unless said director forwards such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. A director who voted in favor of such action may not dissent.

3.17 Waiver of Notice. Attendance of a director at a meeting shall constitute a waiver of notice for such meeting, except where a director attends for the express purpose of objecting to this transaction of any business because the meeting is not lawfully called or convened. A waiver of notice signed by the directors whether before or after the time stated for the meeting shall be equivalent to the giving of notice.

ARTICLE IV OFFICERS

4.1 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 may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, except that if the Corporation has more than one Member, then the offices of president and secretary may not be held by the same person.

4.2 Election and Term of Office. The officers of the Corporation shall be elected annually at the annual meeting of the Board of Directors. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as a Board of Directors meeting may be conveniently held. Each officer shall hold office until the next annual meeting and until a

successor shall have been elected and qualified, until his death, or until he shall have resigned or have been removed.

4.3 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed, with or without cause, at any time, by the Board of Directors. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

4.4 Resignations. Any officer of the Corporation may resign at any time by giving written notice of his resignation to the Corporation. Any such resignation shall take effect at the time specified therein or, if the time when it shall become effective shall not be specified therein, immediately upon receipt. Unless otherwise specified therein, the acceptance of any such resignation shall not be necessary to make it effective.

4.5 Vacancies. Vacancies in office, however caused, may be filled by election by the Board of Directors at any time for the unexpired term of such offices.

4.6 President. The president shall be the principal executive officer of the Corporation and, subject to the Board of Directors' control, shall supervise and control all of the business and affairs of the Corporation. When present, the president shall preside over all Member meetings and over all Board of Directors meetings. With the secretary or other officer of the Corporation authorized by the Board of Directors, the president may sign deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed, except when the signing and execution thereof has been expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation or is required by law to be otherwise signed or executed by some other officer or in some other manner. In general, the president shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

4.7 Vice President. In the absence of the president or in the event of the president's death, inability or refusal to act, the vice president (or if there shall be more than one, the vice presidents in the order of their election), shall perform the duties of the president, and when so acting, shall have all the powers and shall be subject to the restrictions placed upon the president in respect to the performance of such duties. Vice presidents shall perform such other duties as from time to time may be assigned to them by the president or by the Board of Directors.

4.8 Secretary. The secretary shall: (i) keep the minutes of all meetings of the Members, Board of Directors and the committees of the Board of Directors, in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the Corporation's records and of the seal of the Corporation (if the Board of Directors directs that a Seal be obtained) and see that the seal of the Corporation is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized; (iv) keep a register of the address of each Member as furnished to the secretary by each Member; and (v) in general perform all

duties incident to the office of secretary and such other duties as from time to time may be assigned to the secretary by the president or by the Board of Directors.

4.9 Treasurer. The treasurer shall: (i) have charge and custody of, and be responsible for all funds of the Corporation; (ii) receive and give receipts for monies due and payable to the Corporation from any source whatsoever; (iii) keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation; (iv) deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be designated by the Board of Directors; (v) disburse the funds of the Corporation and supervise the investments of its funds, taking proper vouchers therefor; (vi) render to the Board of Directors, whenever the Board of Directors may require, an account of the financial condition of the Corporation; and (vii) in general, perform all of the duties incident to the office of the treasurer and such other duties as from time to time may be assigned to the treasurer by the president or by the Board of Directors.

4.10 Assistants. The Board of Directors may appoint or authorize the appointment of assistants to any officer. Such assistants may exercise the power of such officer and shall perform such duties as are prescribed from time to time by the Board of Directors or the president.

4.11 Officers' Bonds or Other Security. If required by the Board of Directors, any officer of the Corporation shall give a bond or other security for the faithful performance of his duties, in such amount and with such surety as the Board of Directors may require.

4.12 Compensation. The compensation of the officers of the Corporation for their services as such officers may be fixed from time to time by the Board of Directors. An officer of the Corporation shall not be prevented from receiving compensation by reason of the fact that he is also a director of the Corporation.

ARTICLE V CONTRACTS, LOANS, CHECKS, AND DEPOSITS

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

5.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loans shall be made by the Corporation to its directors or officers.

5.3 Checks, Notes, Drafts, Etc. All checks, notes, drafts or other orders for the payment of money of the Corporation shall be signed, endorsed or accepted in the name of the Corporation by such officer, officers, person, or persons as from time to time may be designated by the Board of Directors or

by any officer or officers authorized by the Board of Directors to make such designation.

5.4 Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may designate.

ARTICLE VI WAIVER OF NOTICE

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

ARTICLE VII INDEMNIFICATION

To the full extent permitted by the Washington Non-Profit Corporation Act, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any civil, criminal, administrative or investigative action, suit or proceeding (whether brought by or in the right of the Corporation or otherwise) by reason of the fact that said person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, against expenses (including attorneys' fees, judgment, fines and amounts paid in settlement) actually and reasonably incurred by said person in connection with such action, suit or proceeding; and the Board of Directors may, at any time, approve indemnification of any other person which the Corporation has the power to indemnify under the Washington Non-Profit Corporation Act.

ARTICLE VIII GENERAL PROVISIONS

8.1 Seal. The seal of the Corporation may be in such form as shall be approved by the Board of Directors.

8.2 Fiscal Year. The fiscal year of the Corporation shall be fixed and, once fixed, may thereafter be changed, by resolution of the Board of Directors.

8.3 Inspection of Corporate Records. Any person who shall have been a Member of record for at least six (6) months immediately preceding this demand, upon written demand, stating the purpose thereof, shall have the right to examine, in person, or by agent or attorney at any reasonable time or for any proper purpose, the Corporation's books and records of account, minutes and records of Members and to make extracts therefrom.

8.4 Annual Report. The Board of Directors shall cause an annual report, as provided by law, to be filed with the Secretary of State and with the County Auditor of the county in which the Corporation has its registered office at such time as it is required to pay its annual license fee.

ARTICLE IX
AMENDMENTS

These Bylaws may be amended or repealed or new Bylaws adopted (a) by affirmative vote of a majority of the Members entitled to vote thereon at any annual or special meeting of Members or (b) if the Articles of Incorporation so provides, by action of the Board of Directors at a regular or special meeting thereof. Any bylaw made by the Board of Directors may be amended or repealed by action of the Members at any annual or special meeting of Members.