

ORIGINAL

RATIFICATION AND AMENDMENT TO BY-LAWS FOR
REGENCY WOODS DIVISION IV HOMEOWNERS ASSOCIATION

Whereas the original BY-LAWS OF REGENCY WOODS DIVISION IV HOMEOWNERS ASSOCIATION (the "Association"), were adopted by the Association on approximately May 21, 1993 and

Whereas, the Association does not have a signed and dated copy of the original By-laws and

Whereas, the Association desires to adopt and ratify the unsigned copy of the By-laws in its possession and all previous known amendments thereto (copies of all of which are attached hereto) and

Whereas, under the provisions of ARTICLE IX, AMENDMENTS of the By-laws they may be amended by action of the Board of Directors if the Articles of Incorporation so provide, and

Whereas, ARTICLE IX, Amendments of the ARTICLES OF INCORPORATION OF REGENCY WOODS DIVISION IV HOMEOWNERS ASSOCIATION, filed with the Washington Secretary of State on May 17, 1990, provides in Subsection 2 that the Board of Directors shall have authority to amend the By-laws, and

Whereas the procedures for such amendment have been followed,

Now, therefore, the undersigned does hereby certify that the vote of a majority of the Directors of Regency Woods Division IV Homeowners Association has been obtained to hereby adopt and ratify the attached By-laws and amendments and

The undersigned does hereby certify that the vote of a majority of the Directors of Regency Woods Division IV Homeowners Association has been obtained to hereby adopt the following amendments to the By-laws:

Amend the first sentence of ARTICLE II, MEETINGS OF MEMBERS, Section 2.7, Quorum to read as follows:

Fifteen (15) percent 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.

The following new ARTICLE X. RULES ENFORCEMENT PROCEDURES is added:

Authority. The Board of Directors is authorized and empowered to investigate, hear and determine all complaints concerning violations by any lot owner, tenant or occupant of the Declaration, By-laws, rules, regulations or enforcement procedures ("Governing Documents") or of any decision of the Board made as provided in the Governing Documents. The Board is further authorized and empowered to take certain corrective action and to impose a fine as may be allowed herein in an amount not to exceed the maximum rate established by resolution of the Board on any person whom it finds to have violated the Governing Documents.

Informal Dispute Resolution Preferred. It is the intent of the Association that an informal process be followed prior to the initiation of a formal complaint against an owner, tenant or other occupant of a lot. To that end, any owner, tenant, occupant or employee or agent of the Association has the authority to request that an owner, tenant or occupant of any lot cease or correct any act or perform any omission which appears to be in violation of the Governing Documents or of any decision of the Board made as provided in the Governing Documents. The informal request must be made, either verbally or in writing, prior to initiation of the formal complaint process.

Written Complaint. If the dispute or violation cannot be resolved informally then a complaint may be filed by any lot owner, tenant or occupant, including a member of the Board, or may be filed by an employee or agent of the Association (referred to as the "complainant"). The complaint shall be signed by the complainant and shall contain a written statement of the problem necessitating the complaint setting out in simple and concise language the acts or omissions with which the alleged violator (referred to as the "respondent") is charged. The complaint shall identify the specific provisions of the Governing Documents or decision of the Board which the respondent is alleged to have violated. The written complaint shall state as many of the specifics as are available regarding time, date, location, nature of violation, persons involved, etc. The complaint shall also state the efforts which were made to resolve the matter informally.

Response to Complaint by Board. As soon as possible but no later than its next scheduled meeting, the Board

and/or the managing agent of the Association shall consider all pending complaints. Corrective action to resolve a violation of the Governing Documents may first be sought by a non-punitive, written Notice of Warning if the nature of the infraction so justifies in the discretion of the Board or the managing agent of the Association.

Notice of Infraction and Fine. If the written Notice of Warning fails to correct the situation or if a written Notice of Warning would not be practical under the circumstances in the discretion of the Board or the managing agent of the Association, then a Notice of Infraction and Fine (in the form attached hereto) may be issued by the Board or the managing agent of the Association. A reasonable fine may be imposed in an amount not to exceed the maximum amounts set from time to time by resolution of the Board for infractions of the type in question. The Notice of Infraction and Fine may suspend imposition of the fine on the condition that the infraction is corrected within fifteen (15) days, or such longer period as may be reasonably determined by the Board or managing agent of the Association, after service on or delivery of the Notice of Infraction and Fine to the respondent. Additionally, the Notice of Infraction and Fine may state that the fine imposed is a continuing fine and that such fine will be imposed in like amount for each and every day that the infraction continues, either with or without the suspension period provided above. In addition thereto or alternatively, the Notice of Infraction may state that if the infraction is not corrected within fifteen (15) days, or such longer period as may be reasonably determined by the Board or managing agent of the Association, after service on or delivery of the Notice of Infraction and Fine to the respondent, then the Association or its contractor, managing agent or other designee may enter the lot of any person and take whatever steps are necessary to correct the violation. The expenses thereof shall be assessed to the lot owner and shall be a lien against the lot collectible as any other assessment.

Right to Appeal. Within fifteen (15) days of service on or delivery to the respondent of the Notice of Infraction and Fine, the respondent may deliver a request for an appeal to the Board. In such case, imposition of the fine or other pending enforcement action will be suspended pending determination of the appeal by way of a hearing before the Board. Service or delivery of the Notice of Infraction and Fine shall occur by leaving same with the respondent personally or by leaving same with a person of suitable age and discretion at the respondent's residence or shall be

deemed to occur three (3) days after deposit of the Notice of Infraction and Fine in the first class mail addressed to respondent at his or her last address known to the Association. The request for appeal will not be deemed to have been delivered until actual receipt by the Association's Secretary or the Association's managing agent.

Service of Complaint and Appeal Procedures. Within five (5) days of receipt of the respondent's appeal request and no fewer than fifteen (15) days before the appeal hearing, the Secretary or the Association's managing agent shall cause a copy of the initial complaint, together with a Notice of Rights and Hearing in the form attached hereto and a copy of these procedures, to be served upon the respondent. Service shall be by leaving same with the respondent personally, by leaving same with a person of suitable age and discretion at the respondent's residence or be deemed to be the day of deposit of the same in the first class mail addressed to respondent at his or her last address known to the Association. The Notice of Rights and Hearing, along with a copy of the appeal request, shall be served on or delivered to the complainant in like manner.

Default. Failure of one party to appear at a scheduled hearing, where that party prior to the hearing has failed to show good cause why the hearing should be rescheduled, does not preclude the Board from proceeding with the hearing, receiving evidence from and hearing arguments by the other party and making a decision in the matter. Upon failure of the complainant to appear, the Board may, in its discretion, drop the matter. Upon failure of the respondent to appear, the Board may, in its discretion, reinstate the fine or fines retroactive to the date of the Notice of Infraction and Fine.

Hearing Procedure.

Conduct of Hearing. The hearing shall be heard by the Board of Directors sitting as a Hearing Board. The respondent shall appear in person or by a duly authorized representative. The President, or in his or her absence the Vice President, shall preside over the conduct of the hearing and shall make any necessary evidentiary rulings. The hearing shall be informal. At the beginning of the hearing the President shall explain the rules and procedures by which the hearing is to be conducted.

Order of Proceedings. The order of proceedings shall be as follows:

- (a) Each party to the proceeding is entitled to make an opening statement.
- (b) Each party is entitled to produce evidence, witnesses and testimony. The other parties are entitled to cross-examine any witnesses and the opposing party.
- (c) Each party is entitled to make a closing statement.
- (d) Any member of the Board may question any party or witness. The Board members may, on their own motion, call additional witnesses or secure tangible evidence.
- (e) Each party has the right to representation by counsel at his or her own expense.
- (f) Either party or the Board may cause the hearing to be transcribed at his, her or their own expense.

Rules of Evidence. Any relevant evidence which is not privileged is admissible regardless of whether the evidence is hearsay or otherwise inadmissible in a court of law.

Assurance of Voluntary Compliance. The Board in its discretion, in lieu of or in addition to calling the hearing, may accept a written Assurance of Voluntary Compliance from any respondent. Giving an Assurance does not constitute an admission that a violation has taken place. The Assurance may include a stipulation for payment by respondent to the complainant and/or the Association. From time to time, a person who has made an Assurance of Voluntary Compliance shall provide all information the Board reasonably requests to determine whether the respondent is in compliance with the Assurance. The Board is not precluded from further action by its acceptance of an Assurance of Voluntary Compliance in the event that the respondent violates the terms of that Assurance.

Decision and Order.

(a) As soon as possible, but in no case more than ten (10) days after the close of the hearing, the Board shall meet in executive session to deliberate and reach a decision. The decision of the Board shall be in writing and, if a violation is found, shall state the particular violation(s) found.

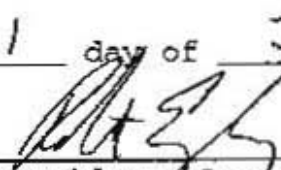
(b) Upon a decision that a violation has occurred, the Board may order that the respondent shall do or refrain from doing any act necessary to cause the respondent to comply with the provisions of the Governing Documents and/or any decision of the Board. The order of the Board shall become effective ten (10) days after it is served on the respondent in the manner provided above, unless the Board otherwise provides in its order.

(c) The Board may provide in its order for the imposition of a reasonable fine not to exceed the maximum amounts set from time to time by resolution of the Board. The fine may include a daily fine in the event that the respondent does not comply with the order of the Board, including the payment of the fine, within the allotted time. The Board may also provide in its order that the non-prevailing party shall reimburse the costs of the Association in connection with the proceeding. Any fine or charge so imposed by the Board shall be the personal obligation of the person against whom it is imposed, shall constitute a lien upon the lot owned or occupied by that person, and may be collected in the manner provided in the Declaration in same manner as for assessments.

(d) The decision of the Board shall be served on each party to the matter forthwith in the manner provided above. A copy of the decision and order shall be sent to the Secretary of the Association and shall be included in the books of the Association.

Judicial Enforcement. Failure to comply with a provision of the Governing Documents or a Board Decision, or to comply with a decision of the Board following notice of a violation and an opportunity for a hearing, shall be sufficient grounds for an action to recover sums due for damages, which shall include any fines levied by the Board and any costs incurred by the Association in connection with the proceedings before the Board, maintainable by the Association (acting through the Board on behalf of the owners). Such failure shall further be grounds for the issuance of injunctive relief in such an action. Nothing contained in the Declaration shall be deemed or construed as a waiver of the Association's right to bring an action as provided in this Section without first exhausting the Association's internal enforcement procedures in cases where the Board deems immediate legal action to be necessary or appropriate. In any action brought as provided in this Section, the prevailing party shall be entitled to recover as part of its judgment a reasonable sum for its attorney fees, costs and expenses of proceeding.

Dated this 21 day of JANUARY, 1998.



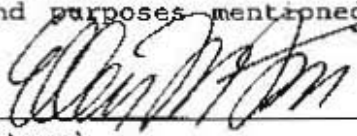
President, Regency Woods
Division IV Homeowners Association

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that I know or have satisfactory evidence that ROBERT EUGLEY is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the President of Regency Woods Division IV Homeowners Association to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: JAN. 21, 1998

(Seal or stamp)



(Signature)
ELLEN M. FIX

(Print name)
Notary Public Seattle, WA.
Title
My appointment expires: 10-29-2001

