

**FIRST AMENDMENT TO
BYLAWS OF
POINTE WOODWORTH HOMEOWNERS ASSOCIATION**

PURSUANT TO Article XI, the Bylaws of Pointe Woodworth Homeowners Association dated October 14, 1998, are hereby amended as set forth below.

Article IV of the Bylaws is amended as follows:

Section 1 is hereby deleted and replaced with the following:

Section 1. Number of Directors. The affairs of the Association shall be managed by a Board of Directors. The number of Directors which shall constitute the whole board shall be seven (7).

Section 3 is hereby deleted and replaced with the following:

Section 3. Term of Office. Following amendment of the Articles of Incorporation and the Bylaws concerning the increase in the size of the Board of Directors from three to seven members, at the annual meeting of the membership, two of the newly created Director positions shall serve for a term of one year. The other two newly created positions shall serve for a term of two years. At each annual meeting thereafter, the members shall elect to a two-year term one new director for each director whose term has expired that year.

All other provisions of the Bylaws of Pointe Woodworth Homeowners Association dated October 14, 1998; remain in full force and effect.

DATED this _____ day of _____, 2003.

Secretary

First Amendment to Bylaws

BYLAWS
OF
POINTE WOODWORTH HOMEOWNERS ASSOCIATION

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**BYLAWS
OF
POINTE WOODWORTH HOMEOWNERS ASSOCIATION**

ARTICLE I

Name and Location

The name of the corporation is Pointe Woodworth Homeowners Association, hereinafter referred to as the "Association." The principal office mailing address of the Association will be 1019 Regents Boulevard #201, Fircrest, WA 98466-6051, but meetings of members and directors may be held at such places within the State of Washington, County of Pierce, as may be designated by the Board of Directors.

ARTICLE II

Definitions

The terms used in these Bylaws shall have the same meaning as those used in the Declaration of Covenants, Conditions and Restrictions of Pointe Woodworth (the "Declaration"), recorded under Pierce County Auditor's File No. 9802130208, and as amended from time to time.

ARTICLE III

Meetings of Members

Section 1. Annual Meetings. The first annual meeting of the Members shall be held at the discretion of the original Directors within one (1) year from the date of incorporation of the Association. Thereafter, annual meetings shall be held on the anniversary of such date in each succeeding year, or on such date as approved by a majority of the membership if they decide the annual meeting should be held on another date for each succeeding year. If the day for the annual meeting of the members is a Saturday, Sunday, or legal holiday, the meeting shall be held at the same hour on the first day following which is not a Saturday, Sunday, or legal holiday.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President, a majority of the Directors, or on written request of Members entitled to vote, in the aggregate, ten percent (10%) of the votes.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by hand delivery or by mailing a copy of such notice, postage prepaid, at least fourteen (14) days before but not more than sixty (60) days before such meeting to each member entitled to vote at the meeting, addressed to the Member's address last appearing on the books of the Association, or supplied in writing by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and the items on the agenda to be voted on by the Members, including the general nature of any proposed amendment to the Declaration, Articles of Incorporation, or Bylaws, changes of a previously approved budget that result in assessment obligations, and any proposal to remove a Director or officer. All meetings shall be held at such place as is convenient for the Members as determined by the Board of Directors, but in any event, in Pierce County, Washington.

Section 4. Quorum. The presence at the beginning of any meeting of Members entitled to cast thirty-four percent (34%) of the votes of the Association shall constitute a quorum throughout that meeting for any action. If a quorum is not present or represented at any meeting, the Members entitled to vote may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Manner of Voting. At all meetings of Members, each Member may vote in person, by mail, or by proxy. There should be one voting agent for each Lot. Such voting agent shall be designated by the Owner or Owners of a Lot by written notice signed by each party with an ownership interest, which notice shall be filed with the Secretary of the Board of Directors. The voting agent need not be an Owner. Any designation of voting agent may be revoked at any time by any one of the parties with an ownership interest in the Lot on written notice filed with the Secretary of the Board of Directors. Such designation shall be deemed revoked when the Secretary receives actual notice of the death or judicially declared incompetency of the Owner of the Lot, or of the conveyance of such ownership interest. When no designation is made, or where designation has been made and revoked and no new designation has been made, the voting agent shall be the person or group composed of all Owners of that Lot who attend any meeting of the Association; however, votes may not be split by multiple Owners of a Lot. Thus, if multiple Owners cannot agree on a vote, their vote will not be counted on a vote of the Association membership, even though those Owners may be counted for purposes of a quorum (as if abstaining). A proxy is void if it is not dated or purports to be revocable without notice. Unless stated otherwise in the proxy, a proxy terminates eleven (11) months after its date of issuance.

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Section 6. Classes. The Association shall have two (2) classes of voting membership:

(a) **Class "A".** The Class "A" Members shall be all Owners, with the exception of the Declarant, and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote for such Lot shall be divisible and exercised as the Owners determine, but in no event shall more than one vote be cast with respect to any Lot.

(b) **Class "B".** The Class "B" Member shall be the Declarant, and shall be entitled to three (3) votes for each Lot owned. The Class "B" membership shall cease and be converted to Class "A" membership upon the happening of either of the following events, whichever occurs earlier:

- (i) When the total votes in the Class "A" membership equal the total votes in the Class "B" membership; or,
- (ii) On June 1, 2005; or,
- (iii) When Declarant, in writing, voluntarily relinquishes control.

ARTICLE IV

Board of Directors; Selection; Term of Office

Section 1. Number of Directors. The affairs of the Association shall be managed by a Board of Directors. The number of Directors which shall constitute the whole Board shall be three (3). Until succeeded by the Directors elected by the Lot Owners, Directors need not be Lot Owners.

Section 2. Compensation. No Director shall receive compensation for any service rendered to the Association.

Section 3. Term of Office. The members of the first Board of Directors elected entirely by the Lot Owners shall serve terms of office as follows: one (1) Director shall serve for a term of one year; two (2) Directors shall serve for a term of two years. At each annual meeting after the initial Board is elected, the Members shall elect to a two-year term one new Director for each Director whose term has expired that year.

Section 4. Removal. Any Director may be removed, with or without cause, upon the affirmative vote of a majority of the voting power of the Association present, in person or by proxy, at a properly called meeting at which a quorum is present.

ARTICLE V

Standard of Care for Directors

Section 1. Standard. A Director shall perform the duties of a Director, including the duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Association, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

(a) One or more officers or employees of the Association whom the Director believes to be reliable and competent in the matter presented;

(b) Counsel, public accountants, or other persons as to matters which the Director believes to be within such person's professional or expert competence; or,

(c) A committee of the Board upon which the Director does not serve, duly designated in accordance with a provision in the Articles of Incorporation or Bylaws, as to matters within its designated authority, which committee the Director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

Section 2. Amendment. However, if the statutory standard of care is, at any time, different than the standard of care set forth in these Bylaws, the Bylaws shall be deemed amended so that the standard of care shall be that standard set forth statutorily for nonprofit corporations in the State of Washington. This section shall not apply where the consequences of an act, omission, error, or negligence are covered by the insurance obtained by the Board.

ARTICLE VI

Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held no less than one (1) time a year at such place and hour as may be fixed by the Board of Directors. Notice shall be given annually to the Members of next year's meetings times.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any Director, after not less than three (3) days notice to each Director. The meeting shall be held at the same place as the regular meetings, unless unavailable, in which event the President shall designate the place of the special meeting.

Section 3. Quorum. A quorum is deemed present throughout any meeting of the Board of Directors if a majority of the Board of Directors are present at the beginning of the meeting. Members present through use of telephone shall be deemed present for purposes of a quorum, and may vote by telephone. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

Section 4. Open Meetings. Except as provided in this subsection, all meetings of the Board of Directors shall be open for observation by all Owners or record and their authorized agents. The Board of Directors shall keep minutes of all actions taken by the Board, which shall be available to all Owners. 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 an 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 meetings only to those purposes specifically exempted and stated in the motion. No motion, or other action adopted, passed, or agreed to in closed session may become effective unless the Board of Directors, following the closed session, reconvenes in open meeting and votes in the open meeting on such motion, or other action which is reasonably identified. The requirements of this subsection shall not require the disclosure of information in violation of law or which is otherwise exempt from disclosure.

ARTICLE VII

Powers and Duties of Board of Directors

Section 1. Powers. The Board of Directors shall have the power to do the following:

- (a) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration or as set forth in Ch. 64.38 RCW, as currently enacted or hereafter amended;
- (b) as necessary to pursue the Association responsibilities, employ an independent contractor, or such other employees as the Board deems necessary, and to prescribe their duties; and,
- (c) enforce all covenants, restrictions, and conditions of the Declaration as amended (this power does not in any way reduce the power of any member to enforce such covenant, nor does it require enforcement unless the Board of Directors deems such enforcement necessary).

The Board shall not act on behalf of the Association to:

- (a) amend the Declaration in any manner that requires the vote or approval of the Lot Owners;
- (b) amend the Articles of Incorporation;
- (c) take any action that requires the vote or approval of the Owners;
- (d) terminate the Association; or,
- (e) ~~elect members of the Board of Directors or determine the qualifications, powers, and duties, or terms of office of members of the Board of Directors; provided, however, that the Board of Directors may fill vacancies in its membership for the unexpired portion of any term.~~ ✓

Section 2. Duties. It shall be the duty of the Board of Directors to do, in their discretion, as follows:

- (a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the

Members, or at any special meeting when such statement is requested in writing by any one of the Members who are entitled to vote;

- (b) supervise all officers, agents, and employees of this Association, and see that their duties are properly performed;

- (c) as more fully provided in the Declaration, to do as follows:
 - (i) fix the annual budget at least forty-five (45) days in advance of each fiscal year;
 - (ii) send written notice of, and call a meeting of the Members to ratify the budget, at least fourteen (14) but not more than sixty (60) days in advance of the meeting;
 - (iii) file a lien if the assessment is not paid within sixty (60) days; and,
 - (iv) when deemed necessary, may foreclose on the lien after sixty (60) days but prior to ten (10) years from date of assessment;
- (d) issue, or to cause an appropriate officer to issue, on demand by any person, a statement signed by the treasurer setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such statement. If a statement states an assessment has been paid, such statement shall be conclusive evidence of such payment;
- (e) enforce covenants as provided in the Declaration when deemed necessary by a vote of a majority of the Directors (this power of enforcement is in addition to the powers of the enforcement of any individual Owner);
- (f) in the event of Common Areas, procure and maintain adequate liability and hazard insurance on property owned by the Association. If available at a reasonable cost, maintain earthquake insurance on all Common Areas. Procure and maintain adequate liability insurance for the Directors of the Board of Directors;
- (g) maintain any Common Areas as set forth in the Declaration; and,
- (h) perform any and all other functions which are necessary for maintenance and continuance of the Association.

ARTICLE VIII

Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a president, vice president, secretary, and treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members. *Done*

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year, or until that officer's successor is elected, unless the officer sooner resigns, or shall be removed, or otherwise is disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer who is replaced.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; and shall sign all written instruments and promissory notes.

- (b) Vice President. The vice president shall act in the place and stead of the president in the event of absence, inability, or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- (c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; prepare, execute, certify and record Amendments to the Declaration on behalf of the Association; and, perform such other duties as required by the Board.
- (d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall: disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of accounts; cause an annual audit of the Association books to be made by a public accountant whenever the annual assessment exceeds \$50,000, unless waived by sixty-seven percent (67%) of the Members; and, prepare an annual budget and a statement of income and expenditures as set forth above. The desired time for preparation shall be prior to the regular annual meeting so that the budget and statement can be presented to the membership at its regular annual meeting.

ARTICLE IX

Committees

The Board of Directors shall appoint such committees as it deems appropriate in carrying out its purpose.

ARTICLE X

Books and Records

The books, records, and papers of the Association shall at all times, during normal business hours as determined by the Board, be subject to inspection by any Member, holder of a mortgage on a Lot, and their respective agents on reasonable advance notice. The Declaration, the Articles of Incorporation, and the Bylaws of the Association, shall be available for inspection by any Member at the office of the Secretary of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI

Amendments

Section 1. Bylaws. These Bylaws may be amended only with the written approval of a majority of the Directors. Any amendment shall be signed by the approving Directors and copies shall be delivered to all Members within thirty (30) days of adoption.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII

Indemnification of Directors and Officers

Section 1. Right of Indemnification. The Association shall indemnify its Directors and Officers against all liability, damage, or expense resulting from the fact that such person is or was a Director or Officer, to the maximum extent and under all circumstances permitted by law.

Section 2. Effect on Other Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of shareholders, or disinterested Directors or otherwise.

Section 3. Insurance. The Association may maintain insurance, at its expense, to protect itself and any Director, officer, employee, or agent of the Association or another association, partnership, joint venture, trust, or other enterprise against any expense, liability, or loss, whether or not the Association would have the power to indemnify such person against such expense, liability, or loss under the Washington Nonprofit Corporation Act. The Association may enter into contracts with any Director or officer of the Association in furtherance of the provisions of this Article and may create a trust fund, grant a security interest, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 4. Advance Payment. The Association may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of

the final disposition of a proceeding to employees and agents of the Association with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors and officers of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.

ARTICLE XIII

Transactions Involving Directors

Section 1. Transactions. No contracts or other transactions between this Association and any other corporation, and no act of this Association shall in any way be affected or invalidated by the fact that any Director of this Association is pecuniarily or otherwise interested in, or is a trustee, director, or officer of, such other corporation.

Section 2. Disclosure. Any Director, individually, or any firm of which any Director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contracts or transactions of the Association; provided, that the fact that such Director or such firm is so interested shall be disclosed to or shall have been known by the Board of Directors or a majority thereof.

ARTICLE XIV

Attorney Fees

Should any dispute arise regarding the terms of these Bylaws, the Declaration, the Articles of Incorporation, or the Rules and Regulations of the Association, the prevailing party shall recover reasonable attorney fees and costs, including those for appeals.

ARTICLE XV

Venue

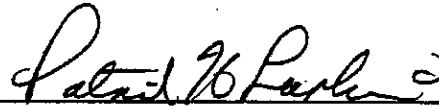
Venue, for purposes of these Bylaws, shall be Pierce County, Washington.

ARTICLE XVI

Fiscal Year

The fiscal year of the Association shall be a calendar year, unless determined otherwise by the Board of Directors.

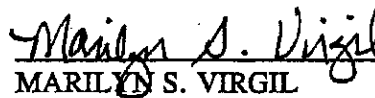
IN WITNESS WHEREOF, we, being all of the Directors of Pointe Woodworth Homeowners Association have hereunto set our hands this 14th day of OCTOBER, 1998.



PATRICK H. LARKIN



JEFF WOODWORTH



MARILYN S. VIRGIL