

**BY-LAWS
OF
THE IRONWOOD AT TUKWILA
HOMEOWNERS ASSOCIATION, INC.**

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**BY-LAWS
OF
THE IRONWOOD AT TUKWILA
HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the corporation is The Ironwood at Tukwila Homeowners Association, Inc., hereinafter referred to as the "Association". The initial registered office of the corporation shall be located at 4000 Kruse Way Place, Building 2, Suite 300, Lake Oswego, Oregon 97035, but meetings of members and directors may be held at such places within the State of Oregon as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Architectural Control Committee" or "ACC"

"Architectural Control Committee" or "ACC" shall mean the committee appointed pursuant to Article XVI of these Bylaws.

Section 2. "Association"

"Association" shall have the meaning given in the introductory paragraph to these Bylaws.

Section 3. "Board"

"Board" shall mean the Board of Directors of The Ironwood at Tukwila Homeowners Association, Inc. constituted in accordance with Article V of these Bylaws.

Section 4. "Class A Members" or "Class A Membership"

"Class A Members" or "Class A Membership" shall mean all Owners with the exception of Declarant or a Builder as that word is defined in the Declaration (except that beginning on the date on which the Class B Membership is converted to Class A Membership, as set forth in the Articles of Incorporation, Class A Members shall be all Owners, including

Declarant) or such Owners' membership in the Association.

Section 5. "Class B Members" or "Class B Membership"

"Class B Members" or "Class B Membership" shall mean Declarant (or a Builder) or Declarant's (or a Builder's) membership in the Association until such membership is converted to Class A Membership in accordance with the Articles of Incorporation.

Section 6. "Common Areas"

"Common Areas" shall mean all real property conveyed to the Association for the common use and benefit of the Owners.

Section 7. "Common Maintenance Areas"

"Common Maintenance Areas" shall mean and refer to the Common Areas and any other areas within public rights-of-way, easements (public and private), tracts or public parks that the Board of Directors of the Association deems it necessary or appropriate to maintain for the common benefit of the members, including without limitation, those areas described in Section 4.4 and Section 4.5 of the Declaration.

Section 8. "Conversion Date"

"Conversion Date" shall be the date upon which Class B Membership shall cease and be converted to Class A Membership. Such date shall be the date which is the earlier of i) the date at which seventy five (75) percent of the total lots anticipated to be created within the subdivision have been conveyed to Class A Member; or ii) ten (10) years after conveyance of the first Lot to a Class A Member.

Section 9. "Declarant"

"Declarant" shall mean Centex Homes, a Nevada general partnership, and its successors and assigns who are designated as such by Declarant, and who consent in writing to assume the duties and obligations of Declarant with respect to the lots acquired by each successor or assign.

Section 10. "Declaration"

"Declaration" shall mean and refer to the Declaration of Protective Covenants, Conditions and Restrictions for Ironwood at Tukwila, Marion County, recorded in Reel 1429 at Page 136 of the Official Records of Marion County, Oregon, and any amendments or supplements thereto made in accordance with its terms.

Section 11. "Director"

"Director" shall mean a director or the Association as described in and elected in accordance with Article VII of these By-laws.

Section 12. "Lot"

"Lot" shall mean and refer to any of the plots of land indicated upon the recorded subdivision map of the Property or any part thereof creating single-family homesites, with the exception of the Common Area and areas deeded to a governmental authority or utility, together with all improvements thereon.

Section 13. "Officer"

"Officer" shall mean an officer of the Association as described in and elected in accordance with Article XI of these Bylaws.

Section 14. "Owner"

"Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 15. "Plat"

"Plat" shall mean the Plat for Ironwood at Tukwila recorded in the official records of Marion County, Oregon.

Section 16. "The Property"

"The Property" shall mean the real property described in Exhibit A to the Declaration and such additions thereto as may be brought within the jurisdiction of the Association and be made subject to the Declaration.

Section 8. "Turnover Meeting"

"Turnover Meeting" shall be the meeting called by the Declarant for the purpose of turning over administrative responsibility of the Association to the Class A Members.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership

The Declarant and every Owner of a Lot by virtue of such ownership shall be a member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot. Such membership shall commence, exist, and continue simply by virtue of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

Section 2. Suspension

All voting rights of a Member shall be suspended during any period in which such Member is delinquent the payment of an assessment duly established pursuant to Article II of the Declaration or is otherwise in default hereunder or under the Declaration or Rules and Regulations of the Association. The Board of Directors may also suspend the Member's right to use of any recreational facilities during such period of default.

Section 3. Voting Rights

The Association shall have two classes of voting membership:

(a) Class A. Class A Members shall be all Owners with the exception of Declarant and any Builder (as defined in the Declaration) (except that beginning on the date on which Class B Membership is converted to Class A Membership and thereafter, Class A Member shall be all Owners, including Declarant and any Builder) 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, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B. The Class B Members shall be the Declarant and any Builder (as defined in the Declaration) who shall be entitled to three (3) votes for each Lot they own.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Use and Enjoyment

Each member shall be entitled to the use and enjoyment of the Common Areas as provided in the Declaration.

ARTICLE V

BOARD OF DIRECTORS; ELECTION; TERM OF OFFICE

Section 1. Number

The affairs of the Association shall be managed by a Board of three (3) Directors prior to the Turnover Meeting and not less than three (3) nor more than five (5) directors after the Turnover Meeting. The Directors need not be members of the Association prior to the Turnover Meeting but shall be members of the Association after the Turnover Meeting.

Section 2. Appointment by Declarant Prior to Turnover Meeting

Until the Turnover Meeting, Declarant shall appoint all Directors, except that Declarant may revocably or irrevocably delegate the power to appoint Directors hereunder by written instrument delivered to the Association naming the party to whom the power to appoint Directors has been delegated. At and after the Turnover Meeting, the Directors shall be elected in the manner provided in Article V, Section 5.3. Voting for Directors shall not be cumulative.

Section 3. Election of Directors

At the Turnover Meeting, the members shall elect one (1) Director for a term of one (1) year, one (1) Director for a term of two (2) years, and one (1) Director for a term of three (3) years, with each Owner entitled to the votes specified in Article III above. If more than three (3) Directors are elected at the Turnover Meeting, the additional Directors shall be elected as follows: i) one (1) additional Director – one (1) for a term of one (1) year; ii) two (2) additional Directors – one (1) for a term of one (1) year and one (1) for a term of two (2) years. Thereafter, at each annual meeting of the Association the members shall elect a number of Directors equal to the number whose terms are then expiring, each to serve a term of two (2) years. Any Director may serve more than one term.

Section 4. Term of Office

On the date of the Turnover Meeting, the Directors appointed by Declarant or its appointee shall submit their resignations, effective as provided in this Section. The Directors elected at any Meeting held for the purpose of Election of Officers, except to replace an Officer who leaves their position prior to the expiration of their term, shall assume all of the duties of office two (2) weeks after the date of the Meeting held for such purpose, at which time the resignation of the Directors in office prior to such Meeting shall become effective, they shall have no further powers as Officers.

Section 5. Removal

Any Director, other than a Director appointed by Declarant, may be removed, with or without cause, by the affirmative vote of Owners present and entitled to vote at any meeting of the Owners at which a quorum is present. No removal of a Director is effective unless the matter of removal was included in the notice of the meeting. At such meeting, the Owners shall elect a replacement Director to serve the remainder of the replaced Director's term.

Section 6. Resignation

Any Director may resign at any time by sending a written notice of such resignation to the secretary. Unless otherwise specified in such notice, a resignation shall take effect upon receipt of the notice by the secretary.

Section 7. Vacancies

Vacancies on the Board caused by the death, resignation, or removal of a Director shall be filled by vote of the majority of the remaining Directors, even if they constitute less than a quorum. Any Director so elected shall serve the remainder of the replaced Director's term.

Section 8. Compensation

No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

ARTICLE VI

MEETINGS OF BOARD

Section 1. Initial Meeting

The initial meeting of the Board shall occur within ninety (90) days after the date the Articles of Incorporation for the Association are filed.

Section 2. Annual Meetings

The Board shall meet at least annually, within thirty (30) days after each annual meeting of the Owners. At each annual meeting, in addition to the actions required by the Declaration, the treasurer shall present to the Board a report on the financial condition of the Association, including a report of receipts and disbursements for the preceding calendar year, the allocation thereof to each Lot, and the estimated receipts and expenses for the coming year.

Section 3. Special Meetings

Special meetings of the Board may be called at any time by the president or two Directors. Such meetings shall be scheduled by the secretary at least two (2), but not more than thirty (30), days after the secretary's receipt of written requests signed by two or more Directors; provided that if the purpose of a special meeting is to elect a successor secretary pursuant to Section 11.2 of Article XI or to consider removal of the secretary pursuant to Section 11.5 of Article XI, such meeting may be scheduled by the president or, if the meeting is also for the purpose of electing a successor president or removing the president, any other Director.

Section 4. Place of Meetings

Meetings of the Board shall be held at such place within Oregon, as may be designated from time to time by the Board.

Section 5. Notice of Meetings

The secretary shall give written notice to each Director of each Board meeting at least two (2), but not more than thirty (30), days prior to the date set for such meeting, stating the purpose, time, and place of the meeting. Notice shall be sent to the address of each Director as listed on the books of the Association, or to such other address as any Director may designate by written notice to the secretary given at least ten (10) days prior to the giving of notice of the meeting. Notice of any meeting may be waived by any Director at any time. No Director who is present at a meeting may object to the adequacy or timeliness of the notice given. When a

meeting is adjourned for fewer than thirty (30) days, whether or not a quorum is present at the adjourned meeting, no notice of the resumption or reconvening of such adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

Section 6. Voting by the Board

Each Director shall have one vote. So long as a quorum is constituted, the vote of Directors together holding more than fifty (50) percent of the total votes shall be a binding vote of the Board for all purposes, unless a greater percentage is required by law or the Declaration.

Section 7. Quorum

The presence in person of a majority of the Directors shall constitute a quorum for voting at a Board meeting. The Board shall have the power to adjourn a meeting even if less than a quorum is present.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination

At and following the Turnover Meeting, 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 Chairman, who need not be a member of the Board of Directors prior to the Turnover Meeting but who shall be a member of the Board of Directors following the Turnover Meeting, and two or more members of the Association or Board of Directors. The Nominating Committee shall be appointed by the Board of Directors the Turnover Meeting, to nominate directors to be elected at the Turnover Meeting. Thereafter, a Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election

Election to the Board of Directors shall be by secret written ballot cast at the annual meeting. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Articles of Incorporation. The person(s) receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers

The Board of Directors shall have the power:

- (a) To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) To exercise for the Association all power, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, and the Declaration;
- (c) To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without just cause having been furnished to and accepted by the Board;
- (d) To establish, and disburse and maintain such petty cash fund as necessary for efficiently carrying on the business of the Association;
- (e) To engage the services of a manager, an independent contractor, or such employees as it deems necessary, and to prescribe the conditions, compensation and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate or perform all or any part of the affairs and business of the Association;
- (f) To exercise powers of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon, as amended from time to time; and
- (g) To exercise any additional or different powers necessary or desirable for the purpose of carrying out the functions of the Association pursuant to the Declaration or otherwise promoting the general benefit of the Owners within the Property.

Section 2. Duties

It shall be the duty of the Board of Directors:

- (a) To cause to be kept 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 one-fourth (1/4) of the votes of the members of both classes who are entitled to vote;

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

(c) To establish membership fees or assessments;

(d) To procure and maintain adequate liability and hazard insurance on property owned by the Association and, if deemed appropriate, insurance on the behalf of any Director, Officer, employee, or agent of the Association against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such;

(e) To cause all Officers, employees or agents, having fiscal responsibility to be bonded, as it may deem appropriate; and

(f) To cause the Common Maintenance Areas to be maintained.

ARTICLE IX

COMMITTEES

Section 1. Committees

The Board of Directors may appoint committees as deemed appropriate in carrying out its purposes, which may include for example, but not by way of limitation, the following:

(a) A Recreation Committee to advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and to perform other such functions as the Board in its discretion determines;

(b) A Maintenance Committee to advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Areas, if any, and to perform such other functions as the Board in its discretion determines;

(c) A Publicity Committee to inform the members of all activities and functions of the Association and after consulting with the Board of Directors, to make such public releases and announcements as are in the best interest of the Association, and

(d) An Audit Committee to supervise the annual audit of the Association's

books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XI, Section 11.8(d). The treasurer shall be an ex-officio member of this committee when formed.

(e) A Traffic and Security Committee to enforce traffic rules of the community and supervise security watch programs.

Section 2. Committee Function

It shall be a function of each committee to receive complaints from members on any matter involving Association duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or Officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings Prior to Turnover Date

Prior to the Turnover Date, a meeting of Owners shall be held annually. Such meeting shall be called in accordance with Section 10.2 below.

Section 2. Meetings to Elect Directors; Annual Meetings Following Turnover Meeting

The first meeting of the Owners held for the purpose of electing Directors pursuant to this Article X shall be the Turnover Meeting. The first annual meeting of the Association shall be held within one (1) year from the date of incorporation of the Association and each subsequent regular annual meeting of the members shall be held annually on a date within thirty (30) days of the anniversary date of the first annual meeting of the members. If the day for the annual meeting is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday. At the annual meeting, the president, and any other Officer of the Board or who the president may designate, shall report on the activities and financial condition of the Association.

Section 3. Special Meetings

Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership.

Section 4. Notice of Meetings

Except as otherwise provided in the Articles of Incorporation, or these By-Laws, 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 mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting, but no more than fifty (50) days before such meeting, to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied 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, including the general nature of any proposed amendment to the Declaration or these By-laws, any budget changes, or any proposal to remove a Director or Officer. Notice of any such meeting may be waived by any Owner at any time. No Owner who is present at a meeting may object to the adequacy or timeliness of the notice given.

Section 5. Quorum

The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws and provided that no quorum shall be required for the Turnover Meeting. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to 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 6. Proxies

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon cessation of membership or restriction of the member's voting rights.

Section 7. Canvass in Lieu of Meeting

In the event that a quorum of members is not achieved at any scheduled meeting, the Board of Directors may authorize a door-to-door canvass of all members whose votes shall be duly recorded, and any action so taken shall have the same force and effect as if taken at a meeting at which a quorum of members was present. Any such canvass must be completed within thirty (30) days of the Board's decree.

Section 8. Majority Vote; Withdrawal of Quorum

When a quorum is present at any meeting of the members, the vote of the holders of a

majority of the votes, present in person or represented by proxy, shall decide any question brought before such meeting unless the question is one upon which by express provision of the statutes, the Articles of Incorporation or these By-laws, a different vote is required, in which case such express provision shall govern and control the deciding of such question. 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. In any case in which voting by mail is necessary or desirable, the secretary shall give written notice to all Owners, which notice shall (a) include a written resolution setting forth the proposed action, (b) state that the Owners are entitled to vote by mail for or against such resolution, and (c) specify a date not less than twenty five (25) days after the date of such notice by which all votes must be received at the principal office of the Association. Votes received after the date specified shall be of no effect.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers

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

Section 2. Election of Officers

The Officers of the Association shall be elected annually by the Board and shall hold office at the pleasure of the Board and until their successors are elected and qualified. If any office becomes vacant, the Board shall elect a successor to fulfill the unexpired term at a special meeting of the Board called for such purpose.

Section 3. Term

The Officers of this Association shall be elected annually by the Board and shall hold office for two (2) years unless he shall sooner resign, or shall be removed, or otherwise 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 and a successor may be elected at a special meeting of the Board called for such purpose. Any Officer may resign at any time by giving 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; 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 election at a special meeting of the Board called for such purpose. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he replaces.

Section 7. Multiple Offices

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 11.4 of this Article.

Section 8. Duties

The duties of the Officers are as follows:

President

(a) The president shall be a Director and shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board are carried out, shall sign all leases, mortgages, deeds, and other written instruments and shall co-sign (together with either the vice-president or treasurer) all checks and promissory notes of the Association.

Vice-President

(b) The vice-president shall act in the place and stead of the president in his absence or inability or refusal to act, shall co-sign (together with either the president or treasurer) all checks and promissory notes of the Association and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings

and proceedings of the Board and of the members, keep the corporate seal of the Association and affix it on all papers requiring said seal, 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, and shall perform such other duties as required by the Board.

Treasurer

(d) 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, shall co-sign (together with either the president or vice-president) all checks and promissory notes of the Association, keep proper books of account, cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year, and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members.

Section 9. Compensation

Other than reimbursement of out-of-pocket expenses incurred on behalf of the Association, neither the president, nor the treasurer, nor the secretary, nor the vice-president, nor any other officer shall receive any compensation from the Association for acting as an Officer, unless such compensation is authorized by the Board.

ARTICLE XII

ASSESSMENTS

Section 1. Conformance with Declaration

The Association shall levy, collect, and enforce the payment of assessment in accordance with article II and other relevant provisions of the Declaration.

Section 2. Basis of Annual Assessments for Class A Members

Subject to the other provisions of this Section 12.2 and without consideration of special assessments, the maximum annual maintenance assessment for each Class A Member shall be determined dividing the total estimated budget, without consideration of special assessments, by the total number of lots subject to assessment within the Association.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to a Class A Member, the maximum annual assessment for Class A Members may be increased each year ten percent (10%) above the maximum assessment for the

previous year without a vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Lot to a Class A Member the maximum annual assessment for Class A Members may be increased more than ten percent (10%) above the prior year's maximum by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting called for this purpose. Written notice of such meeting shall be sent to all members not less than ten (10) days nor more than fifty (50) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as and incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 3. Assessments to be Levied by Board

After consideration of current maintenance costs and future needs of the Association, the Board of Directors may levy the annual assessments at an amount not in excess of the maximum set forth in Section 12.2. The Board of Directors shall have the authority to adjust the amount of annual assessments during any assessment period, upon not less than thirty (3) days notice to the members, subject to the limitations as set forth in Section 12.2.

Section 4. Special Assessments for Working Capital Fund, Non-recurring Maintenance and Capital Improvements

In addition to the annual assessments authorized above, the Association may levy special assessments as follows:

(a) In any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any non-recurring maintenance, or the acquisition, construction, reconstruction, repair or replacement of a capital improvement upon any Common Maintenance Areas including fixtures and personal property related thereto may be assessed. The Association shall not commingle the proceeds of such special assessments with the maintenance fund. Such proceeds shall be used solely and exclusively to fund the non-recurring maintenance or improvements in question.

(c) The Board of Directors shall determine the necessity and the amount of any special assessment. Special assessments shall not be effective unless approved by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting called for the purpose of approving the special assessments and conducting other business, if any. Written notice of such meeting shall be sent to each member not less than ten (10) days nor more than fifty (50) days in advance of the meeting.

Section 5. Uniform Rate

Both annual and special assessments must be fixed at a uniform rate for all single family Lots and may be collected on a monthly, quarterly or annual basis as determined by the Directors at least thirty (30) days in advance of each assessment period.

Section 6. Quorum for any Action Authorized under Sections 12.2 and 12.4

At any meeting called, as provided in Sections 12.2 and 12.4 hereof, the presence at the meeting of members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 12.2 and 12.4; however, the quorum requirement shall be one-half (1/2) of the previous quorum requirements. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. The necessary approval may also be obtained by a canvass of the members as set forth in Article X, Section 10.7.

Section 7. Date of Commencement of Annual Assessments: Due Dates

The annual assessment provided for herein shall commence as to all Lots on the first day of a month determined by the Board of Directors at the organization meeting. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; provided, however, that the Board of Directors shall have the right to adjust the annual assessment as long as any such adjustment does not exceed the maximum permitted hereunder with thirty (30) days written notice given to each Owner. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand, at any time furnish a certificate in writing signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-payment of Assessments: Remedies of the Association

Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ten (10) days after the due date, the Association shall have the remedies set forth herein and in the Declaration. The Association or its agents shall have the right and power to bring all actions against the defaulting Owner personally for the collection of such charges as a debt and to enforce the Association's lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association in like manner as

a mortgage or deed of trust lien on real property. The lien provided for in this section shall be in favor of the Association, shall be for the benefit of all other Owners. The provisions regarding the attachment, notice, recordation and duration of liens established on real property under ORS 87.352 to 87.382 shall apply to the Association lien. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS Chapter 88. The Association acting on behalf of the Owners shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the Lot. If any assessment is payable in installments, the full amount of the assessment is a lien from the date the first installment of the assessment becomes due. The Association acting on behalf of the Owners shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same; and to subrogate so much of its right to such liens as may be necessary or expedient to an insurance company continuing to give total coverage notwithstanding non-payment of such defaulting Owner's portion of the premium. An election by the Association to pursue any remedy provided for herein shall not prevent concurrent or subsequent exercise of another remedy permitted hereunder. The remedies provided herein are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Association. The Association shall have no right to deprive an Owner of access to or from such Owner's lot.

Section 9. No Reimbursement to Declarant

The proceeds of the regular annual assessments shall not be used to reimburse Declarant for any capital expenditures incurred in construction or other improvements of common facilities, if any, nor for the operation or maintenance of such facilities incurred before conveyance unencumbered to the Association.

ARTICLE XIII

BOOKS AND RECORDS

Section 1. Books and Records

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any members at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

FISCAL YEAR

Section 1. Fiscal Year

The Fiscal Year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

ARTICLE XV

SHARES OF STOCK AND DIVIDENDS PROHIBITED

Section 1. Stock and Dividends

The Association shall not have or issue shares of stock. No dividends shall be paid and no part of the income of the Association shall be distributed to its Directors or Officers, or to the Owners. The Association may pay compensation in a reasonable amount to its Officers or Directors for services rendered as provided by the Articles of Incorporation, the Declaration, other provisions of these Bylaws, or resolution of the Board of Directors.

ARTICLE XVI

ARCHITECTURAL AND DESIGN CONTROL

Section 1. Architectural Control Committee

The Architectural Control Committee shall perform and shall be empowered to perform all acts relating to building restrictions as provided in Article V of the Declaration on behalf of the Association.

ARTICLE XVII

TRANSFER OF CONTROL

Section 1. Turnover Meeting

On a date that is not later than one hundred twenty (120) days following the Conversion Date, Declarant shall call the Turnover Meeting. Declarant shall give notice of such meeting as

provided in Article X, Section 10.4 to each Owner. The notice shall state the purpose of the meeting, which shall be the relinquishment by Declarant of control of the administration of the Association, and the time and place at which the meeting is to be held. If Declarant does not call the Turnover Meeting required by this Article XVII within the required period, any Owner may call such a meeting and give notice as required by this Article XVII. At the Turnover Meeting: (a) Declarant shall relinquish control of the administration of the Association and the Owners shall assume the control thereof, (b) the Directors of the Association then serving shall resign and the Owners shall elect a Board of Directors in accordance with these Bylaws, and (c) Declarant shall deliver to the Association the books, records, and other materials belonging to the Association that are in Declarant's control.

ARTICLE XVIII

WAIVER OF NOTICE

Section 1. Waiver of Notice

Whenever any notice is required to be given under the provisions of the nonprofit corporation laws of the State of Oregon, as it exists or may be amended in the future, or under the provisions of the Articles of Incorporation or these Bylaws, 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 XIX

ACTION WITHOUT A MEETING

Section 1. Meeting not Required

Any action which applicable law, the Declaration or these Bylaws require or permit the Owners or the Board to take at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Owners or Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Owners or the Board, as the case may be, shall be filed in the records of minutes of the Association.

ARTICLE XX

AMENDMENTS

Section 1. Amendments

Except as expressly provided in the Declaration, these By-Laws may be amended or repealed and new By-Laws may be adopted by a majority of the Directors present at any regular meeting or at any special meeting, if at least two (2) days' written notice is given of intention to amend or repeal and adopt new bylaws at such meeting accompanied by a copy or summary of the amendment; provided however, that the Board shall have no authority to amend or repeal any provision of these Bylaws relating to the election, qualifications, powers, duties or terms of Directors without the approval of the Owners given at a special meeting called for such purpose. Notwithstanding any provisions hereof to the contrary, the Declarant may, at its sole discretion and without consent being required of anyone, modify, amend or repeal these By-Laws at any time before the closing of the sale of the first Lot to a Class A Member. The Department of Housing and Urban Development (HUD) and the Veterans' Administration (VA) shall have the right to veto amendments to these By-Laws so long as there exists Class B Membership in the Association.

Section 2. HUD/VA Approval

If neither HUD nor VA notifies Declarant, or the Board of Directors, of objections to any amendment or intent to repeal these By-Laws within fifteen (15) days of the date of Declarant's or the Board of Directors', request for approval, such approval shall be deemed to have been granted.

ARTICLE XXI

GENDER AND GRAMMAR

Section 1. Gender and Grammar

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provision hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XXII

ENFORCEMENT

Section 1. Legal Proceedings

If the Association institutes legal action to enforce any restrictive covenant or other condition of the Declaration, Articles of Incorporation or By-Laws, and the violator voluntarily corrects or abates such violation after litigation has been filed, the Association shall not dismiss or abandon such legal action until it has been reimbursed all of its expenses, including reasonable attorney's fees and court costs.

ARTICLE XXIII

LOANS TO DIRECTORS AND OFFICERS PROHIBITED

Section 1. No Loans to Directors or Officers

No loan shall be made by the Association to its Directors or Officers. The Directors of the Association who vote for or assent to the making of a loan to a Director or Officer of the Association, and any Officer or Officers participating in the making of such loan, shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

Section 2. Contribution; Subrogation

Any Director against whom a claim shall be asserted under or pursuant to this Article XXIII shall be entitled to contribution from the other Directors who voted for the action upon which the claim is asserted. To the extent that any Director is required to pay such claim, he shall be subrogated to the rights of the Association against the debtor on the loan.

ARTICLE XXIV

CONFLICTS AND PARTIAL INVALIDITY

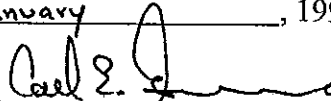
Section 1. Conflicts

These Bylaws are intended to comply with applicable law and the Declaration. In case of any irreconcilable conflict, applicable law and the Declaration shall control over these By-Laws, and any amendments hereto, and any rules or regulations adopted hereunder.

Section 2. Partial Invalidity

The invalidation of any one of the provisions of these By-Laws by judgment or court order shall in now affect any other provisions, which shall remain in full force and effect.

I, Carl Greene, as secretary of The Ironwood at Tukwila Homeowners Association, Inc., do hereby certify the foregoing to be the By-Laws of the Association, as adopted by the Board on the 12TH day of January, 1999.



Carl E. Greene
Secretary/Treasurer